

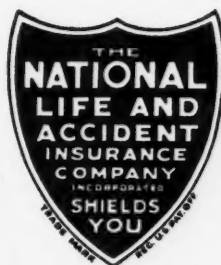
The NATIONAL UNDERWRITER

Life Insurance Edition

Insurance Library

MAR 3 1941 B 40

FORTY-FIRST FINANCIAL



ANNUAL STATEMENT

December 31, 1940

ASSETS

Bonds Owned		\$ 39,573,649.60
U. S. Government Bonds	\$ 7,410,777.26	
Bonds of Canadian Government, Provinces and Cities	1,063,920.41	
Bonds of States of the U. S.	3,391,510.45	
Municipal Bonds	13,411,471.00	
Railroad Bonds	884,649.01	
Public Utility Bonds	8,316,186.68	
Industrial and Other Bonds	5,095,134.79	
Stocks Owned		759,912.25
Real Estate Loans, First Mortgages, City Property		23,428,578.37
Real Estate Loans, First Mortgages, Farm Property		3,040,140.24
Cash in Banks and Offices		5,749,353.99
Real Estate Owned, of which \$1,240,929.57 is used in whole or in part for Company purposes		2,900,658.42
Collateral Loans		51,880.00
Net Unpaid and Deferred Premiums		2,432,089.62
Policy Loans		4,815,610.06
Interest Due and Accrued		717,057.66
TOTAL ASSETS		\$ 83,468,930.21

LIABILITIES

Legal Reserve, Life and Annuity Contracts	\$ 65,653,183.96
Reserve, Disability Policies	1,909,822.60
Reserve for Epidemics	1,000,000.00
Investment Fluctuation Fund	2,000,000.00
Gross Premiums Paid in Advance	405,680.87
Taxes Accrued But Not Due	835,410.82
Agents' Bond Deposits	478,619.41
Policy Claims in Process of Adjustment and Payment	279,360.86
Commissions Accrued to Agents and All Other Items	463,564.76
Liabilities Other Than Capital and Surplus	\$ 73,025,643.28
Capital and Surplus	10,443,286.93
TOTAL LIABILITIES	\$ 83,468,930.21

INCREASE IN LIFE INSURANCE IN FORCE, 1940	\$ 64,608,069.00
TOTAL LIFE INSURANCE IN FORCE, DECEMBER 31, 1940	\$771,474,205.00

THE NATIONAL LIFE AND ACCIDENT INSURANCE COMPANY

C. A. CRAIG, Chairman of the Board

C. R. CLEMENTS, President

HOME OFFICE

NASHVILLE, TENNESSEE

The Home of WSM . . . The Air Castle of the South

FRIDAY, FEBRUARY 28, 1941

JEFFERSON STANDARD



HEADLINE FACTS 1940 REPORT

ASSETS CLIMB TO NEW HIGH

Assets total \$94,764,607 — largest in company history.

SALES \$1,000,000 WEEKLY

New life insurance sales in 1940 totaled \$51,000,000, averaging nearly one million dollars each week.

INTEREST EARNING EXCELLENT

5.11% interest earned on invested assets. The Jefferson Standard has consistently maintained leadership in this field.

5% PAID

Jefferson Standard paid 5% interest in 1940 on funds held in trust for policyholders and beneficiaries (this rate paid continuously since organization in 1907)—No change in 1941.

SURPLUS FUNDS INCREASED

Surplus, capital, and contingency funds now total \$6,730,000—new high mark in funds set aside for policyholder protection.

\$422,300,000 LIFE INSURANCE IN FORCE

165,000 policyholders own life insurance totaling more than 422 million dollars.

PAID OUT \$6,820,000

Policy benefits paid in 1940 total \$6,820,000. The Jefferson Standard has paid \$118,600,000 to policyholders and beneficiaries since organization in 1907.

FINANCIAL STATEMENT ASSETS

Cash.....	\$ 3,107,287
United States Government and Municipal Bonds.....	3,896,692
All Other Bonds.....	5,982,293
Stocks.....	6,656,238
<small>Listed securities carried at market, cost, or call value, whichever is lower.</small>	
First Mortgage Loans.....	49,793,609
<small>On farm property \$6,112,832. On city property \$13,380,777.</small>	
Real Estate.....	4,023,629
<small>This includes our seventeen-story Home Office Building.</small>	
Loans to Our Policyholders.....	13,972,608
<small>Fully secured by the cash values of policies.</small>	
Premium Loans and Liens.....	3,723,601
<small>Fully secured by the cash values of policies.</small>	
Investment Income in Course of Collection.....	940,847
Premiums in Course of Collection.....	2,576,858
All Other Assets.....	90,945
Total.....	\$ 94,764,607

• DECEMBER 31, 1940 LIABILITIES

POLICY RESERVES.....	\$ 79,288,190
<small>This amount represents the reserve required by law to assure prompt payment of policy obligations.</small>	
Reserve for Policy Claims.....	339,662
<small>Claims in course of settlement on which proofs have not been received.</small>	
Reserve for Taxes.....	483,848
Premiums and Interest Paid in Advance.....	895,850
Policy Proceeds Left with Company.....	5,865,409
Dividends for Policyholders.....	882,475
Reserve for All Other Liabilities.....	279,173
Total.....	\$ 88,034,607
Contingency Reserve.....	\$1,400,000
<small>A fund to take care of contingencies, depreciation on real estate and investment fluctuations.</small>	
Capital.....	2,000,000
Surplus Unassigned.....	3,330,000
Total Surplus Funds for Protection of Policyholders.....	\$ 6,730,000
Total.....	\$ 94,764,607



JEFFERSON STANDARD LIFE INSURANCE CO.

JULIAN PRICE, PRESIDENT, GREENSBORO, NORTH CAROLINA

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, FEBRUARY 28, 1941

\$3.00 Year, 15 Cents a Copy

Saratoga Springs Scene of New York State Gathering

Pink Favors Six Month Pre- Licensing Educational Course for Recruits

By ROBERT B. MITCHELL

Licensing of agents should be preceded by a six-month educational course which would include not only insurance and sales information but such subjects as ethics, government and sociology, Superintendent Pink of the New York department suggested in his talk at the recruiting conference held by managers and general agents of the New York State Life Underwriters Association at Saratoga Springs.

Mr. Pink said that the companies, which already spend, with the department's blessing, considerable amounts of money on cooperative activities in the interest of the business, might well include selection and recruiting in the pooling of their efforts. He predicted that cooperative educational work would not cost much more than is now being spent by the companies individually. He sympathized with the plight of the man who needs a job and must get into production as early as possible but he deplored the sketchy training the recruit gets when such a condition prevails.

Favors Temporary Licenses

Some concessions in the way of temporary licensing might be made, he indicated, when during the discussion period following his talk General Agent H. H. Wilson, Equitable Society, New York City, asked whether the department, if a broad cooperative educational program were worked out, would reciprocate by making it possible to license men on a temporary basis, so that they would not be faced with a six-month period during which they could earn nothing. Mr. Pink said he would favor such a basis, with temporary licenses provided the state could be assured that the training would be continued as contemplated in the program.

Warning of its effect on recruiting, Mr. Pink said that high pressure selling is the evil from which practically all criticisms of the business stem. While he mentioned the industrial branch particularly he said that it is too prevalent in the ordinary field as well. Criticism from the public, the newspapers, and investigating bodies all goes back to sales pressure. He said he felt encouraged at the shift in emphasis, even in the five years he has been superintendent, from sales to service. He warned that if the right kind of recruits are to be attracted the basis of these criticisms must be minimized.

L. H. Means, personnel department
(CONTINUED ON PAGE 13)

N. Y. May Not Act on Surrender Charges

May Give the Guertin Committee Chance to Reconcile Differences

NEW YORK—It is doubtful that the New York legislature will be asked to take any action this year on the law covering surrender charges. If New York holds off for another year there is a better chance of working out some arrangement that would minimize the cleavage between the proposals of the nonforfeiture committee of the National Association of Insurance Commissioners, headed by Actuary A. N. Guertin of the New Jersey department, and the principles which seem to guide the New York department and some of the influential members of the New York legislature's insurance committee.

A major factor in slowing down the push in New York for changes in the nonforfeiture laws is the realization of the widespread effects that follow in other states where companies licensed in New York operate. Another factor is that R. Foster Piper, former chairman of the assembly insurance committee and of the joint committee on insurance law revision and one of the most insistent advocates of surrender charge modification, is no longer in the legislature, having been elected a judge in the state supreme court.

Warned of Possible Action

At the time the Guertin committee held its public hearing in New York City to get comment and criticism on its proposal, Associate Actuary Maximilian Hollenberg of the New York department and chairman of the department's nonforfeiture committee warned that the New York department might not be able to wait until the Guertin committee brought in its final report but might have to submit a bill for action by the legislative session which was due to convene in a couple of weeks. Since then the department committee has drawn up a tentative report but the committee was evidently not of one mind, for the dissenting minority also drew up its views.

The majority report is understood to have favored changes which would represent quite a drastic change from present practice. Neither the majority nor minority report has been released, as any proposal still regarded as being in a formative stage, but it would not be surprising if the majority version favored a tapering off of surrender charges so that they would be entirely eliminated by the 15th year. That was one of the proposals urged by Mr. Piper, though originally he would have eliminated the surrender charge by the tenth year.

Met with Companies

The department committee has held conferences with representatives of the companies and there is general opposition to the extreme length to which the proposal would go. The committee is not disposed to override these objections arbitrarily, and they undoubtedly constitute another reason why action by the legislature is unlikely.

It is clear, however, that the New

Managers Parley in Wichita to Treat Morale, Motivation

The one-day management conference in Wichita in conjunction with the mid-year convention of the National Association of Life Underwriters will consist of a morning session of three hours and an afternoon session of two hours. It will be conducted by the Sales Research Bureau and it is a project of the local managers' clubs. Those from the bureau who will take part in the program are Manager John Marshall Holcombe, Jr., B. N. Woodson, director of service; Lewis W. S. Chapman and James E. Scholefield. William Andrews,



W. H. ANDREWS, JR.

Jefferson Standard Life, Greensboro, who is chairman of the managers section of the N. A. L. U., will preside.

The morning discussions will cover various aspects of the subject of morale and in the afternoon the subject of motivation will receive attention.

William Nicholls, Jr., president Wichita Life Underwriters Association and chairman of the National Association mid-year meeting sales congress, March 29, has announced the complete program.

Mr. Nicholls will preside and morning speakers will be:

James E. Rutherford, general agent,
(CONTINUED ON PAGE 15)

York department still views the Guertin committee proposal as holding the possibility of unduly high surrender charges, particularly in the event that a company shifts to a more conservative reserve basis. The Guertin committee would set up a reserve basis for nonforfeiture values which would not necessarily have any connection with the actual policy reserve. If a company should shift to a 2½ percent basis for policy reserves it would be possible to have a wide spread between cash value and policy reserve, even if no surrender charge at all were made, and this could continue throughout the life of the policy.

Long Awaited SEC Report Is Released

Publication Made Day

Before Hearing on Recommendations in Washington

WASHINGTON—The development of the life insurance business in this country represents "an outstanding achievement," but there are many ways in which the industry can and should reform its practices, it is held by Gerhard A. Gesell and Ernest J. Howe of the Securities & Exchange Commission in the long-awaited insurance monograph released by the Temporary National Economic Committee Thursday, one day in advance of a hearing at which the SEC members of the committee are to submit their recommendations on the industry.

The 466-page monograph prepared by the SEC insurance section experts reached no conclusions and contained no recommendations, nor did it give any hint of what Gesell and Commissioner Sumner T. Pike, SEC member of the TNEC, would suggest when they appear before the committee Friday.

However, it is expected that the SEC representatives would suggest the setting up of certain standards for legal reserve companies at which the industry should aim, but that they would not recommend any federal regulation or control.

Rejects U. S. Control Idea

Without foreknowledge of the commission's position, Senator O'Mahoney chairman of the TNEC, indicated that the committee would not accept any recommendation for federal regulation, declaring that he thought it is not desirable nor necessary at this time or in the immediate future.

Both the authors of the report and O'Mahoney stressed that nothing presented during the committee's lengthy investigation of the industry nor in the SEC's study justifies altering the initial statement of former SEC Chairman William O. Douglas at the outset of the insurance inquiry that no policyholder need have any concern that his protection would be jeopardized. On the contrary, O'Mahoney indicated, the investigation demonstrated the service and integrity of the life insurance companies.

Among the principal topics considered in the report are the great size of the legal reserve companies, their enormous growth and present possibilities for future growth, the concentration of economic power and influence, "which rests in the hands of the five largest companies, all of whose offices are located in the New York area." The absence of any effective policyholder control over the activities of the mutual companies with consequent self-perpetuation in office of insurance directors and the
(CONTINUED ON PAGE 12)

Gontrum Condemns Counsellors' Tactics

ANNAPOLIS, MD. —Commissioner Gontrum of Maryland in supporting the Cordish bill requiring the licensing of insurance counsellors at a hearing before the house insurance committee, criticized counsellors severely for trying to break down public confidence in insurance companies with misrepresentations and half-truths. He asserted that the counsellors charged fees which are enormous in proportion to the service they render and said "a great deal of advice is not sound and most of it is directly opposed to the best interests of the policyholders." He described the methods used by the counsellors in charging a low initial fee supplemented by higher charges as the policies are being analyzed. Advisers in Baltimore send policies to New York where they are "studied by the founder of the profession who then relays such advice as he deems fit." Mr. Gontrum scored the broadcasting of derogatory statements about insurance companies over the radio. He stressed the high caliber of insurance men in answer to the counsellors' attacks.

Requires Examinations

The proposed bill requires counsellors to take examinations for licenses and requires that they be residents of Maryland. The commissioner is given the power to revoke licenses when, in his opinion, the counsellors are incompetent or untrustworthy.

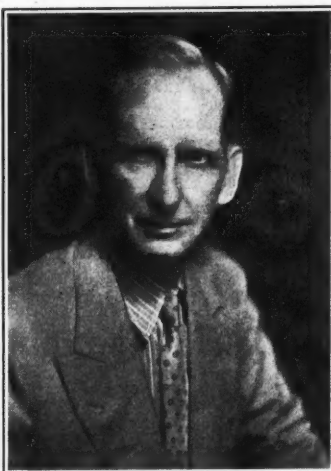
Calvin Cohen, attorney for the Policyholders Advisory Council of Baltimore, opposed the bill and spoke in favor of another bill which permits those already in the business to obtain a license without examination and allows the sub-licensing of salaried employees.

Among those speaking in favor of the Cordish bill were J. P. Graham, Jr., Aetna Life, chairman Baltimore Life Underwriters Association's law and legislation committee; Morris Meyer, representing the Baltimore C. L. U. chapter, and Jacob S. New, vice-president Eureka-Maryland Assurance.

CIO Union Certified in Detroit

The Industrial Insurance Agents Union, Local 102, a CIO affiliate, has been certified by the National Labor Relations Board as sole bargaining agent for John Hancock industrial offices in Detroit and Pontiac, Mich. A check showed 114 applications for union membership out of 187 agents in that region, the NLRB says.

Company Campaign for Anniversaryless Officer



R. E. MARTIN

R. E. Martin, secretary-treasurer of Wisconsin National Life, was born Feb. 29, 1872, which permits him a birthday anniversary once in four years. The company will signalize the lack of anniversary Feb. 28 with a one-day campaign for "No Birthday Martin." The celebration of a birthday anniversary that a man does not have is rather unusual.

Philadelphia Grand Jury Probes Peoples Committee

PHILADELPHIA—A federal grand jury here has started a probe of the Peoples Committee to Defend Life Insurance and Savings. Advertising managers of Philadelphia newspapers and officers of the committee were subpoenaed to tell who paid for political advertisements last fall; who financed the committee's campaign, and whether expenditures were reported. All were summoned to appear with their books.

Bruce Veazey, San Antonio manager Indianapolis Life, and Edgar Russell, associate manager, were hosts to the members of the Counsellors Club when they stopped in San Antonio for a tour of the points of historic interest and the aviation fields and Fort Sam Houston.

New Ill. Director Wins Epauettes at Chicago Rally

Inasmuch as governmental regulation always is an outgrowth of abuses in a particular field the true approach to removing the threat of regulation is to inquire into the abuses and seek to eradicate them, rather than blindly to assume that the present order is perfect.

That significant message was given by Paul F. Jones, the new insurance director of Illinois, in responding to the introduction at the luncheon in his honor in Chicago under the auspices of the Insurance Federation of Illinois that was attended by more than 700.

Mr. Jones made an excellent impression. Attorney Ferre C. Watkins of Chicago, personal representative of Governor Green, who presented Mr. Jones to the audience, characterized him as a man of "judicial poise and determination." Judging by his remarks and his presence, the audience gathered that this was a close estimation of Mr. Jones' character.

Sees "Mild Apprehension"

Mr. Jones said "we meet with a feeling of mild apprehension," but he expressed the hope that his connection with the business "will grow into sincere friendship and mutual trust." He said that the supervision of a business of the magnitude of insurance and one that touches the lives of practically all of the citizens so intimately is a "very sobering task." He made the significant remark that he hopes he will not be overcome by the "subtle virus of flattery." He admitted that he has a lack of knowledge of the technicalities of the insurance business and the corporate structure of its various components.

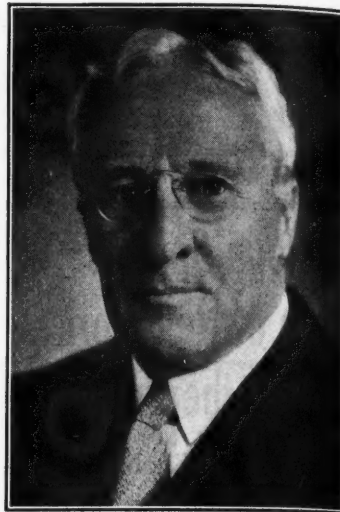
To Have Competent Staff

He assured his audience that the insurance department will be staffed by able and competent men, that the department's attitude on any matter of merit will be "courteous and sympathetic," but that he will always be mindful of his responsibility to the public.

Mr. Jones declared that suggestions from the industry will be invited and perhaps an advisory committee of insurance leaders may be created. Such an arrangement exists in New York state.

Insofar as the subject of federal regulation of insurance is concerned, he said that he intends to make searching inquiry into the abuses that are charged to exist by proponents of federal regu-

Named as New Canadian Minister in Washington



LEIGHTON MCCARTHY

Leighton McCarthy of Toronto, chairman of the board of Canada Life, has been named Canadian minister in Washington.

The appointment, it is believed, will be particularly acceptable to President Roosevelt as, in addition to Mr. McCarthy's recognized ability, he and the President have a common personal interest of a deeply-rooted nature. Mr. McCarthy is a trustee of the National Foundation for Infantile Paralysis of the U. S. and also a trustee of the Georgia Warm Springs Foundation, of which President Roosevelt is the founder and patron. Like Mr. Roosevelt, Mr. McCarthy's son is partially disabled from infantile paralysis.

A change in Washington has been discussed for some time, due to the illness of the present incumbent, Loring Christie.

The business, he observed, cannot blindly assume that the present order is perfect. Regulation takes root in the soil of abuse. Dishonesty and other evils are the seeds of regulation, which when germinated, grow like weeds. The proper approach is to remove these seeds of federal regulation.

Mr. Jones said that his attitude will be one of friendliness towards all branches of the insurance, regardless of age, type, size or plan. The plan of any business organization is not so important as is the management, he declared. Great or small, insurance organizations thrive or fail on the factor of management.

Impartial Enforcement

He will strive for impartial enforcement of the law and creation of public confidence.

Mr. Jones said that the Illinois department is known favorably throughout the country largely as a result of the courage and hard work of his predecessor, Ernest Palmer. Mr. Jones said that when the time comes for him to leave office, he hopes that his successor can say just that of him.

John P. Keever, resident vice-president of Maryland Casualty and president of the Insurance Federation, presided. He introduced John L. Clarkson of Bartholomay-Clarkson Company, Chicago, who presented the other members of the reception committee, they being Gail Reed, Fred S. James & Co.; Mrs. Lillian L. Herring, secretary of the federation, and W. J. Floren of Rollins, Burdick, Hunter Company. He then presented Ernest Palmer, who was given an ovation. Mr. Palmer remarked pleasantly that he trusted the plaudits were for an old timer rather than being commiseration for a has been.

(CONTINUED ON LAST PAGE)

FIGURES FROM DEC. 31, 1940, STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1940	Ins. in Force Dec. 31, 1940	Change in Ins. in Force	Premia. Income 1940	Total Income 1940	Benefits Paid 1940	Total Disburs. 1940
Alliance Life ^a	19,887,862	+ 256,203	1,908,712	11,360,501	100,234,817	-498,789	2,086,358	3,693,718	2,028,945	3,787,624
Amer. Citizens Life	265,259	+ 28,261	124,291	514,515	1,607,602	-102,874	44,565	88,166	13,139	60,617
Amer. L. & A., Ky.	1,632,736	+ 219,922	305,792	26,329,687	28,028,009	+ 1,793,253	1,294,671	1,376,670	326,811	1,177,475
Amer. L. & A., Mo.	192,464	+ 6,785	12,917	3,215,092	5,083,729	+ 695,975	150,173	161,021	42,268	151,560
Berkshire Life	66,127,587	+ 2,000,720	1,715,356	16,900,812	216,551,392	+ 4,051,229	6,581,512	11,734,722	5,247,807	9,529,195
Central Life, Ia.	51,799,277	+ 2,762,246	4,532,461	13,604,594	170,496,709	+ 2,585,363	4,995,551	8,524,389	3,552,711	5,811,763
Confederation L., Can.	135,044,751	+ 5,286,648	8,740,031	37,217,303	419,848,854	+ 13,192,729	15,082,982	22,982,204	12,339,699	17,381,724
Conservative Life	7,766,195	+ 353,338	1,117,137	5,420,104	35,076,842	+ 696,840	1,052,281	1,437,750	695,320	1,119,841
Equitable Society	2,564,466,180	+ 162,574,651	99,793,960	804,747,328	7,136,920,642	+ 260,704,153	292,249,932	452,525,980	198,715,179	295,149,090
John Hancock M. L.	1,054,369,632	+ 72,649,667	65,587,816	606,270,155	4,618,318,062	+ 263,139,806	171,867,824	227,382,223	99,319,560	165,632,098
Kansas City Life	117,308,504	+ 4,466,015	7,390,308	48,053,982	455,159,138	+ 7,651,871	12,307,951	17,815,378	8,728,838	13,897,356
Liberty Natl. Life, Ala.	6,441,410	+ 854,449	840,552	43,710,571	88,397,649	+ 7,361,426	2,548,070	2,884,491	646,575	1,987,221
Liberty National, Mo.	92,207	+ 10,615	31,099	519,965	1,298,002	+ 189,300	29,560	43,725	5,006	29,301
Maryland Life	5,400,664	- 6,459	460,913	1,024,491	15,659,158	- 127,148	373,169	727,468	481,751	699,534
North Amer. Life, Can.	67,969,282	+ 2,967,399	4,006,348	23,338,168	226,532,508	+ 7,472,863	7,703,691	12,574,551	6,312,088	9,629,112
Oregon Mutual Life	20,036,925	+ 1,219,553	1,521,889	6,686,574	67,040,104	+ 2,256,160	2,368,950	3,616,406	1,520,776	2,389,555
Pacific National Life	2,608,357	+ 344,591	787,471	5,767,864	19,598,434	+ 2,645,779	599,681	718,433	119,632	397,176
Presby. Minist. Fund.	30,600,342	+ 1,210,270	2,159,493	4,331,585	62,638,126	+ 1,043,367	2,509,440	4,305,668	2,568,400	3,067,580
Reliable Life, Mo.	1,248,813	+ 333,988	321,524	21,629,908	24,285,759	+ 2,650,424	777,945	1,515,418	176,026	1,348,987
Republic National Life	4,252,587	+ 968,979	421,715	12,317,648	38,840,327	+ 7,584,508	1,461,161	1,955,585	493,211	1,018,586
State Farm Life	4,929,866	+ 985,982	728,297	10,954,279	66,487,762	+ 5,210,710	238,861	259,119	394,228	1,111,252
Sunset Life	695,898	+ 46,841	370,354	2,899,290	11,501,802	+ 1,320,700	1,525,540	2,086,459	439,040	239,128
Texas Prudential	4,266,865	+ 606,545	505,029	27,905,306	61,669,802	+ 5,891,323	1,611,157	1,760,415	329,943	1,208,229
Virginia Life & Cas.	1,323,916	+ 109,680	210,108	5,014,831	13,804,521	+ 890,894	490,284	545,097	173,583	429,253
Volunteer State Life	25,741,029	+ 647,321	1,410,018	9,427,793	101,475,343	+ 385,283	2,610,804	4,241,929	2,471,966	3,765,621
FRATERNALS										
Lutheran Brotherhood	11,457,783	+ 1,414,525	1,156,216	8,665,280	74,888,463	+ 5,174,741	2,341,107	2,865,192	724,938	1,412,101
Modern Woodmen	91,504,788	+ 5,864,184	69,039,066	556,506,110	22,035,754	- 22,035,754	18,404,065	23,455,968	13,933,549	17,556,930
Royal Arcanum	29,612,143	- 210,885	4,371,677	77,767,895	4,162,674	- 4,162,674	2,556,281	4,025,704	3,368,385	4,185,881
Woodmen of World, Omaha	127,351,597	+ 1,801,915	22,885,997	41,041,124	373,999,884	- 8,888,916	9,460,127	16,740,573	11,041,608	15,451,895

^aIncludes \$339,068 Peoria fund surplus.

^bCasualty department figures included.

^cDoes not include contingency reserve for asset fluctuation of \$25,000,000.

^dIncludes \$6,901,234 reinsurance of Southern Old Line Life.

^eIncludes special surplus reserve of \$627,436.

^fIncludes \$503,163,613 group.

^gIncludes \$2,364,094,782 group.

^hIncludes revived during year.

Fraternalists Meet in Illinois Congress, Lawyers Sessions

Below of Fidelity Life, Ewan, Kewanee, Ill., Attorney, Head Organizations

Walter C. Below, president Fidelity Life, Fulton, Ill., was elected president of the Illinois Fraternal Congress at its annual meeting in Chicago. He succeeds T. R. Heaney, secretary Catholic Order of Foresters.

The other new officers are: Vice-



WALTER C. BELOW

president Joseph F. Sheen, Chicago, of counsel Standard Life, Topeka; secretary, Russell H. Matthias, Chicago, Lutheran Brotherhood, reelected; treasurer, C. J. Del Vecchio, secretary, Royal League; executive committee: Harold A. Reise, Italo-American Society, Chicago; T. R. Heaney, retiring congress president; O. E. Aleshire, president Modern Woodmen; Mrs. Antonina Czerniak, vice-president in charge of women's production, Polish Roman Catholic Union, Chicago; William P. Schultz, Illinois state manager Aid Association for Lutherans; J. P. Stock, Chicago, Illinois state manager Maccabees; Lendon A. Knight, general attorney Royal Neighbors, Rock Island; Mrs. Mary E. Murphy, Chicago, high chief ranger Women's Catholic Order of Foresters.

Lawyers Annual Gathering

About 200 attended the meeting including some 50 lawyers who were present at the annual meeting of the Fraternal Society Law Association. William T. Ewan, Kewanee, Ill., was elected president of the lawyers organization; Arthur J. Donovan, Chicago, retiring president, was elected past president; J. W. Randall, Dallas, vice-president; Alan W. Joslyn, Detroit, treasurer, and R. F. Allen, general counsel Standard Life of Topeka, was reelected secretary. Mr. Ewan is a practicing attorney and director of Fidelity Life; Mr. Donovan, general counsel Royal League; Mr. Randall, general attorney of the Praetorians, and Mr. Joslyn, a member of Joslyn, Joslyn & Joslyn, Detroit law firm who specializes in fraternal law.

At the lawyers' meeting it was noted the National Fraternal Congress probably at its annual meeting in September will vote to revive the February meeting of its sections which in previous years

(CONTINUED ON PAGE 26)

Fete Mielenz on 50th Anniversary

MILWAUKEE—President Morgan B. Brainard and Vice-President S. T. Whatley of the Aetna Life, paid warm tribute to Albert E. Mielenz, Milwaukee general agent, at the dinner here celebrating the completion of 50 years of service by Mr. Mielenz.

The golden jubilee year of Mr. Mielenz has been an outstanding one; the Kiwanis Club, his service club, honored him with "Mielenz Day" and he received the Outstanding Citizen award of the Cosmopolitan Club.

Mr. Whatley was toastmaster at the dinner, arrangements for which were handled by N. M. De Nezzo, field supervisor, and Alvin Moser, Mr. Mielenz' supervisor.

Mr. Brainard told of the warm friendship that has existed between Mr. Mielenz and himself since he assumed the presidency in 1923. Many times he has sought the counsel of Mr. Mielenz on perplexing problems. He stressed the important organization built by the Aetna Life's general agents and said the agency built by Mr. Mielenz was among the best.

Mr. Brainard presented Mr. Mielenz with one of the few 50 year service plaques that the Aetna has given out; the first, in fact, that has ever been presented to a general agent.

F. R. Crumpton, Superior, Wis., district agent is also completing 50 years of service and received notice of the award of his plaque at the dinner.

The banquet was attended by many



A. E. MIELENZ

J. F. Holland Mentioned as Mo. Department Head

JEFFERSON CITY, MO.—The delayed inauguration of F. C. Donnell, Republican, as governor of Missouri here Wednesday, has caused a renewal of speculation as to whom he will name as successor to Superintendent Lucas, whose term expires in June.

The name most frequently heard in connection with the insurance department post is that of J. F. Holland, St. Louis attorney, who was chief deputy under Superintendent Thompson. He is thoroughly conversant with the duties of the office, has had experience as a newspaper reporter prior to his admission to the bar and is regarded as able to adjust himself to the situation which finds a Republican governor working with a Democratic dominated senate and house.

agents with their wives from Wisconsin and northern Michigan, the supervisory staff, with clerical force, A. L. Wortmann, manager of Aetna Casualty, and various department heads.

The clerical force presented Mr. Mielenz with a clock-desk set and the salesmen gave him a combination radio and phonograph. D. H. Teas, Wisconsin Rapids, made the presentation for the salesmen.

Mr. Mielenz also received a leather binder in which were assembled hundreds of congratulatory letters and telegrams.

Perin to Fidelity Mutual

L. B. Perin, supervisor of the Cincinnati agency of Penn Mutual Life, has been appointed assistant manager in the Paul Johnson Agency of the Fidelity Mutual. Mr. Perin had a number of years experience in the general insurance field before joining the Penn Mutual two years ago.

Florida Court Rules Out Tax Deduction on Cancellations

Company's Theory in Regard to Return Premiums Not Sustained

An attempt of a southern life company to save the premium tax that would apply on return premiums and collections including surrender values claimed tantamount to a cancellation has been rejected by a court decision in Florida which was made the basis of a letter sent out by Commissioner Larson of that state to all life companies operating there.

The case was decided against the company in the Leon county circuit court on the petition of the company to restrain the insurance department from collecting \$1,523 premium tax upon \$76,158.

Commissioner Larson asked that companies acknowledge receipt of the bulletin advising of their compliance with the court findings.

Company's Contention in Brief

The action was started in April, 1940, against W. V. Knott, then the commissioner, under equity case No. 6096. The contention of the life company's counsel was that the sum involved was exempt from tax under chapter 19051 of the Florida laws of 1939 on a general theory that since this sum had been withdrawn, the company had not had opportunity to earn the interest yield necessary on it under the life insurance principle.

The petition went on to state: "It is the contention of the plaintiff that the words which exempt from the 2 percent tax 'return premiums' and 'cancellations' must necessarily include surrender values for cash consideration, as well as return premiums; and furthermore, that such words should cover and include dividends issued by the company to policyholders which dividends are applied to reduce the premiums paid, and consequently, the premium paid the company by the policyholder is reduced by the amount of the dividend and is exempt from taxation under the statute to the extent of such reduction."

Larson Requires Compliance

A final decree was entered by the Leon county court sustaining the state treasurer, who is insurance commissioner ex officio. This decision now stands as Florida law unless and until it should be reversed or modified by the Florida supreme court, Commissioner Larson pointed out and should be followed by all companies affected in computing and paying their premium taxes for 1940.

"It has always been the contention of the Florida insurance department, Commissioner Larson commented, "that dividends applied to the reduction or payment of premiums are subject to the 2 percent premium tax and the effect of this decision of the circuit court of Leon county (Tallahassee) is to uphold this contention of the state as well as to uphold the state's position on the question first brought up in this case that cash surrender values paid to policyholders are not deductible from taxable premiums."

"At a later date this department will take up with the companies the effect of this taxation upon certain deductions apparently made heretofore by some of the companies in computing and paying their annual premium taxes to the state of Florida."

Paul R. Moore was given a testimonial dinner in Columbus, O., by Paul M. Smith, general agent of New England Mutual. Mr. Moore has been with the agency 10 years.

Concurrent

In one of the Institute of Life Insurance "Hindsight and Foresight" advertisements, President Holgar J. Johnson quotes some interesting figures he has seen:—

"They showed that since 1900 the number of life insurance owners has increased six and a half times, to reach, in 1940, sixty-five million, approximately half the population of the country. The rate of increase has been the same as that of telephone subscribers, not as fast as that of automobile owners and domestic electricity consumers. Life insurance, the telephone, the automobile and electricity have all come of age at about the same time, at about the same rate. They are now great forces in our national life."

Coincidental with the growth of life insurance in America, since its beginnings in the '40's, has been the age of corporations, of invention, of the mechanical revolution, of chemistry and modern medicine, and later the age of electricity and gasoline.

The concurrent growth of life insurance companies with these developments of business has been more than a coincidence. The savings of the many held in trust by the life insurance companies became reservoirs contributing to the fluidity of the necessary capital through investments, fostering new enterprises, stimulating production, and were thus largely instrumental in the growth.

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

State Farm Rally Is Largest Ever

The annual convention in Chicago of the State Farm companies of Bloomington, Ill.—State Farm Mutual Automobile State Farm Life and State Farm Fire—borders on being stupendous. It has a pattern of its own, which is entirely unlike any gathering in the fire and casualty ranks but comes rather close to the enthusiastic, mass rallies of some of the industrial life companies. The convention crowd at the Stevens Hotel in Chicago this week numbered about 2,500, 500 more than last year.

Most of the producers are rugged, homespun men from farm, factory and pulpit. They are men who speak the language of the founder and genius of the organization, Chairman G. J. Mecherle.

These are not sophisticated people. At the banquet they cheer and get an obvious thrill from the lighted ice cream parade. They are ecstatically appreciative of the variety acts that were staged after the banquet. The banquet hour is 7 p. m. and the entire crowd is already nibbling at the rolls at 7:05. It is poor business for the cocktail lounges. Chairman Mecherle is against it and it is not a drinking crowd anyway.

Trimmings, Showmanship

There is an abundance of trimmings and showmanship that keeps the crowd stirred at all times. Lapels are decorated with a variety of insignia, the most prominent being a huge circular button proclaiming "1941 Millionaire." The company has a goal of getting 1,000,000 automobile policyholders on the books by 1944 and those who up to this time have met the quota get the big button. Then there are various insignia for the different states. The meeting room is lined with flags of each of the states. There is the top hat parade.

Agents appeared in high hats, low hats, Continental tri-corners with pig-tails for Virginians, the fez with a sunflower on it for Kansas, etc. A large bank of tiered seats at the south end of the ballroom accommodated several hundred agents to whom special recognition was accorded. The company had its own band. In addition there were noise makers which included pistols fired whenever the convention proceedings seemed to indicate the need of an exclamation point. The company had its own band and a choral group of about 18 voices made up of Chief's Men led by Harold Dale Saurer, agency secretary.

Family Unity Prevails

Increasing success of this convention is testimony to the feeling of family unity among State Farm agents, plus at the same time thoroughgoing recognition of individuals at the conventions.

Among company officials who took part in the opening session were A. W. Tompkins, agency vice-president; M. G. Fuller, vice-president State Farm Life; Reed Hanlack, State Farm Life; Charles Geib, supervisor fire; G. F. Alcott, assistant director conversation automobile; H. L. Mecherle, superintendent of commissions; Robert S. Wilson, registrar life; G. B. Brown, comptroller; K. H. Noll, vice-president auto; R. C. Mead, actuary; F. B. Coleman, vice-president claims.

While recognition was given to a number of production clubs, including the High Toppers, Knights of the Grandstand, the 300 Club, the Million or More Club, Marathon, Black Cat, etc., the climax of the morning festivities came when the "goat," representing No. 1 place in life production, was turned over to A. M. Stanley, state director of California, by H. E. Baumberger, state director of Virginia. This was quite a ceremony. Frank Brown, Minnesota director, leader in the "parade of states" was given the "oath of office" on an agent's manual plus a little sales talk from the "chief justice of the supreme

court," who had previously come in with his associate justices disguised behind considerable facial decoration. Wyoming was second in the parade, Virginia third, Kansas fourth and West Virginia fifth. Mr. Brown presented a small "goat" to Mr. Baumberger. This part of the ceremony was "enforced" by a gentleman carrying a 15-foot shotgun.

George Davies, life supervisor, who was scheduled for the Monday morning program, was unable to attend because of impending arrival of the Davies' family's first baby.

Annual Statement Figures

One of the traditions is that the annual statement figures are released for the first time at the convention. This year the figures were revealed in the talk given by A. H. Rust, executive vice-president and treasurer of State Farm Mutual Automobile and president of State Farm Life.

Mr. Rust stated that the holdings of mortgages has been increased somewhat in the life company.

State Farm Life had insurance in force \$66,487,762, an increase of \$5,210,710. Assets are \$4,929,866, an increase of 25 percent. Surplus to policyholders is \$728,296, increase \$105,656.

The multiple line program offered by the State Farm companies gives agents

the greatest opportunity and policyholders the greatest service, Chairman G. J. Mecherle told agents. He stressed the unlimited possibilities for agents who develop a well balanced program of production over the three lines of life, automobile and fire.

Referring to the companies' million policy campaign in the automobile field, Mr. Mecherle stated he had found after investigation of the difficult years in the past that in every instance "general line agencies were the most successful and felt the stress of the times the least of any agencies engaged in the business. Those who followed a distinct, special line found themselves in some measure of difficulty when the stormy days arrived."

While the companies' advertising will be increased this year by only two additional pages in the "Saturday Evening Post" and "Collier's," the company is spreading out its advertising over a whole year instead of making it seasonal as formerly, according to G. E. Mecherle, secretary State Farm Mutual.

Others on the program were T. F. Campbell, secretary State Farm Fire "Preparedness Through Fire Insurance"; Landis Dehl, Illinois local agent, "Working a Multiple Line"; Morris G. Fuller, vice-president life, "What They Do"; J. H. Parsons, conservation direc-

tor, "The Life Membership"; Mrs. June Goodman, Napa, Cal., "The Wife's Responsibility in Her Husband's Success"; and A. W. Tompkins agency vice-president, "Marching Orders."

Milner Named Georgia Manager

Connecticut General Life has entered Georgia, and has appointed Whitner Milner as manager for the state.

Mr. Milner for the last few years has been associated with the Connecticut General in Chicago through Aviation Insurance Sales, of which company he was vice-president. He entered the business in 1930 with Connecticut General at Cleveland. He is a son of W. J. Milner, Sr., who has been in the general insurance business in Atlanta for many years.

Inspect Penn Mutual Home Office

The Penn Mutual Life was host to the Philadelphia chapter of the National Office Management Association when 99 members visited the home office to observe how Penn Mutual has solved current office management problems.

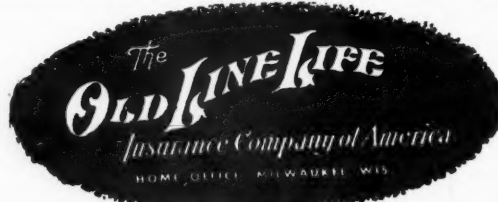
Following a greeting by President John A. Stevenson, the program included an office tour, guided by a group of division heads. A question and answer session followed.

31st Annual Statement (Condensed) . . DECEMBER 31, 1940

Assets		Liabilities	
Cash	\$ 520,953.30	Liabilities to Policyowners:	
Bonds—		Life and Annuity Reserves.....	\$19,576,304.73
U. S. Government.....	\$1,375,264.84	Disability and other Reserves payable in Installments.....	1,117,322.34
Canadian Provinces and Cities	521,801.74	Accident and Health Premium Reserves	74,910.05
States, Counties, and other Municipalities	2,794,308.03	Death and other Policy Claims Pending	95,849.46
Public Utilities ...	2,402,885.36	Premiums and other payments made in advance of due dates.	202,052.92
Railroads	382,099.68	Reserved for:	
Institutional	404,001.08	Real Estate taxes, State and other taxes and fees payable in 1941. \$	108,277.20
First Mortgage Loans on Real Estate	8,185,978.52	Other unclassified items	77,701.48
Loans on Policies.....	2,353,280.40	Additional Protection to Policyowners:	
Contracts for Deed and Unencumbered Real Estate.....	3,996,367.46	For General Contingencies and Fluctuation in Assets	\$ 449,967.68
Premiums not yet due and Premiums in course of Collection secured by Policy Reserves.....	304,896.52	Unassigned Surplus	737,815.72
Interest due and accrued and other items	198,364.65	Capital Stock	1,000,000.00
TOTAL ADMITTED ASSETS	\$23,440,201.58	TOTAL	\$23,440,201.58

— Significant Facts —

Life Insurance in Force \$82,607,855
Gain in Life Insurance in Force \$2,250,816
Accident and Health Premiums exceeded 1939 by 67%
Admitted Assets \$23,440,201
Gain in Admitted Assets \$811,603
Extra Margin of Safety to Policyowners \$2,187,783
Paid to Policyowners and Beneficiaries since organization \$24,952,195

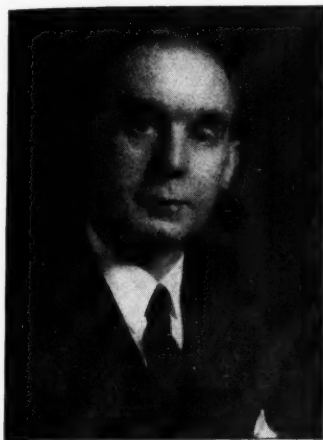


LIFE • ACCIDENT • HEALTH

MacLean Actuary and Vice-president of Mutual Life

NEW YORK—Joseph B. Maclean, associate actuary of Mutual Life for the last 12 years, has been elected vice-president and actuary succeeding Wendell M. Strong, who retires March 1.

Mr. Maclean has been with Mutual Life since 1911. Before that he was with Scottish Temperance Life at Glas-



J. B. MACLEAN

gow. He became actuarial assistant of Mutual Life in 1919, assistant actuary in 1920 and associate actuary in 1929.

He is one of the foremost actuaries in this country and has written books on life insurance and actuarial science which are widely accepted as standard text books. He is a fellow of the Faculty of Actuaries in Scotland, the Institute of Actuaries of London, Actuarial Society of America and American Institute of Actuaries. From 1932-1939 he was secretary of the Society and is now vice-president.

Served in British Army

From 1914-1919 Mr. Maclean was in the British army, serving as captain with the Cameronians. When the then Prince of Wales, now Duke of Windsor, visited the United States in 1919 he bestowed the military cross on Mr. Maclean for gallantry in action.

Walter Klem has been made associate actuary, succeeding Mr. Maclean. He entered Mutual Life service in 1918 as a junior clerk, became head of the mathematical section in 1925 and assistant actuary in 1939. He is a fellow of the Actuarial Society, American Institute of Actuaries and was a member of the International Congress of Actuaries in 1930 in Stockholm and in 1937 in Paris.

Manuel Gelles succeeds Mr. Klem as senior assistant actuary. After graduating from New York University he entered the actuarial department. In 1924 he became section head and actuarial assistant, and was made an assistant actuary in 1937. He is a fellow of the Actuarial Society.

Take Prudential Man

Mutual Life has also appointed as assistant actuary Edward H. Wells, formerly of Prudential. He is a graduate of Wooster College and was successively on the faculty of Lafayette, Princeton and the University of New Hampshire. He became mathematician for Prudential in 1931.

Morris Monsky and Mrs. A. M. Motheral have also been appointed assistant actuaries. Mr. Monsky is a graduate of Columbia and has been with Mutual Life since 1925. He is a fellow of the American Mathematical Society and Actuarial Society of America. Mrs. Motheral graduated from Smith College and has been with Mutual since 1918 where she has served as a section head and general assistant in the actuarial department.

Lincoln National Statement Booklet in Q. & A. Style

A new departure in the presentation of its annual financial exhibit is evidenced in Lincoln National Life's 1940 statement booklet. Featured in this statement is a section devoted to asking and answering questions of general interest. The department is presented as an imaginary interview between Mr. Policyholder and Mr. Management.

Mr. Policyholder asks a total of 37 questions, ranging widely in subject matter. Especially prominent are questions pertaining to payments to policyholders, income and expenditures, surplus, contingency reserves, capital, new business written, mortgage loan investments, real estate, bond investments, the company's assets, insurance in force. The answers which are written in easy-to-understand language give the policyholder factual data and pertinent comments regarding all subjects discussed.

Chairman Arthur F. Hall and President A. J. McAndless, in the foreword state:

"In annual reports to policyholders we attempt to set forth fully and clearly, the principal facts about this company's condition and progress. We hold the view that our reports should not be standardized to present the same set of facts in the same way year after year. This year, more than ever, people are in an inquiring state of mind. They have questions about almost everything, and they want precise answers. Our policyholders have been questioned about their life insurance but many of them do not have the time to seek out answers for themselves from a mass of statistical information, and some questions cannot be answered by a balance sheet. Accordingly, for 1940 we present our report in a somewhat different form."

Colorful Publication

"In the following dialogue, Mr. Policyholder and Mr. Management discuss the company and life insurance generally. Read it carefully. Let your beneficiaries read it. Feel free to write to the management for further information if all your questions are not clearly and completely answered."

The booklet is a colorful 24-page publication.

Here are a few sample questions.

"I have noted in the company's balance sheet items headed 'Surplus and Contingency Reserves.' What do they mean to me as a policyholder?"

"What do the Lincoln National's consistent gains in insurance in force mean to me as a policyholder?"

"Why is it necessary for a life insurance company to have such large assets?"

"In talking about the company assets, you have quoted some big figures. Now can you show me how each one of my dollars is invested?"

"How does the Lincoln National collect and supervise bond holdings?"

"Can you tell me something about mortgages? Why does the Lincoln National invest in mortgage loans?"

"I notice a revenue statement on Pages 18 and 19 of this report. Why do you present a statement in this form which seems unusual for a life insurance statement?"

H. R. Kendall, chairman Washington National of Evanston, Ill., who has been incapacitated for active service for a year due to eye affliction is spending the winter at Clearwater, Fla. Some of the time he has been hospitalized. He was recovering from his first malady when his eyes were attacked with an entirely different and totally unrelated disease. Between seasons he spent some time at his office.

Geo. R. Kendall, president of the company spent February at Miami Beach.

1940

... accelerates
Franklin Progress

Reflecting a greater and more substantial growth than any other twelve-month period in The Franklin's history, 1940 produced noteworthy results:

Assets increased \$5,272,365.92 to a total of \$44,839,073.97.

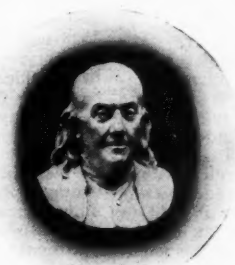
Insurance in force ... \$209,310,078.00 ... a gain of \$31,720,855.00 for the year.

Policy reserves increased 10.7 per cent. \$813,069.91 was added to capital and surplus, bringing the total to \$2,252,972.30.

During the year \$3,445,470.48 was paid to policyholders and beneficiaries. The total amount paid to them since organization, plus the funds currently held for their benefit ... \$119,229,902.96.

New, modern and attractive policy forms were introduced during the year (both par and non-par).

From every angle, The Franklin is today superbly equipped for greater development and growth in the future.



The FRANKLIN LIFE INSURANCE COMPANY

Springfield, Illinois

CHAS. E. BECKER, President

57 Years of Distinguished Service Founded 1884

Elected President of Atlantic Life



R. R. LOUNSBURY

RICHMOND, VA.—R. R. Lounsbury, president of Bankers National Life, Montclair, N. J., was elected president of Atlantic Life here Tuesday at the annual meeting. He succeeds S. F. Clabaugh who had been president for several years. Mr. Clabaugh, major of the United States Army Reserve Corps, has been called to active duty. He had remained on leave of absence for a time after being called into service.

Mr. Lounsbury is a former president of the company, having been elected when interests associated with him acquired control some years ago. James N. Hyson of Scarsdale, N. Y., who is in the investment business in New York, was added to the board.

The annual report of Atlantic Life showed increases in both insurance in force and in assets.

H. B. Corell, 23 Years with Mich. Department, Ousted

LANSING, MICH.—H. B. Corell, veteran first deputy insurance commissioner, who has been with the Michigan department 23 years, most of that time in his present position, has been dismissed.

Corell is a Republican but his status was not questioned during the Democratic administrations of former Governors Comstock and Murphy when C. E. Gauss served as commissioner. Mr. Gauss made no political changes in the department and declared on many occasions that he felt it unwise to interfere with personnel in a division requiring so high a degree of technical knowledge.

Frank M. Cordero, Detroit, has been named to succeed Mr. Corell. While lacking in insurance experience, so far as could be learned here, he is said to be a trained accountant and tax expert. He was formerly secretary of the Democratic state central committee, and served as assistant Wayne county clerk 1933-1936.

Ferre Watkins Gets Ill. Liquidation Bureau Post

Ferre C. Watkins, Chicago attorney, has been named general counsel for the Bureau of Liquidation of the Illinois Insurance Department by Governor Green. The salary is \$12,000, the best in the gift of the administration. He succeeds H. B. Hershey, democratic candidate for governor last fall. Mr. Watkins is a graduate of Illinois Wesleyan law school, active in the American Legion, the Illinois and Chicago Bar Associations. He was active in the management of Governor Green's campaign.

Real Estate Rehabilitation Proves Effective

President W. W. Head of General American Life in the annual statement booklet gives some interesting specific examples of the effectiveness of the company's program of rehabilitating real property to which it comes into possession by way of foreclosure. General American, for instance, acquired a 2,793 acre farm in 1933 which was carried on the books for \$50,800. In 1933 the net income from the entire farm was less than \$300. In 1934, a program of rehabilitation and company operation was put into effect. Buildings were repaired, land cleared, drainage provided and the proper rotation of crops and agricultural methods employed. The result has been that for the past five years the net income from the property has averaged \$8,000 annually. Partial sales consummated and sales pending involve a total sale price of \$116,650. There remain 319 acres having an appraised value of about \$10,000.

Another example is that of an office building in a small middle western town which was acquired in 1937. The earnings from the property in 1936 had been \$6,600. The company's method of rehabilitation and operation were placed into effect resulting in a total expenditure of about \$17,000. Earnings from the building rose steadily until in 1940 the net earnings were \$34,000.

Over the four year period of ownership total earnings have been about \$84,000.

In its farming activities, General American, according to Mr. Head, has established a policy of soil conservation and scientific agricultural operation. This, aided by general business recovery, has returned profits in increasing yields and has facilitated sales on a sound financial basis. In 1940 the net earnings of all real estate after payment of direct expenses of operation including taxes and repairs, were 4.19 percent on the book value. In 1934 the corresponding figure was 1.04 percent.

Travelers Names Ayres Group Sales Superintendent

Carl S. Ayres has been made superintendent of group sales and S. S. May, H. Ladd Plumley and W. B. Loomis, assistant superintendents, for Travelers.

Mr. Ayres is a graduate of Notre Dame University. He joined Travelers in 1923 as a field assistant at Indianapolis. In 1927 he was moved to the 55 John Street office in New York as assistant manager, group lines and in 1928 was made group supervisor of that territory. In 1930 he went into the home office where he continued his supervisory duties on a wider scale.

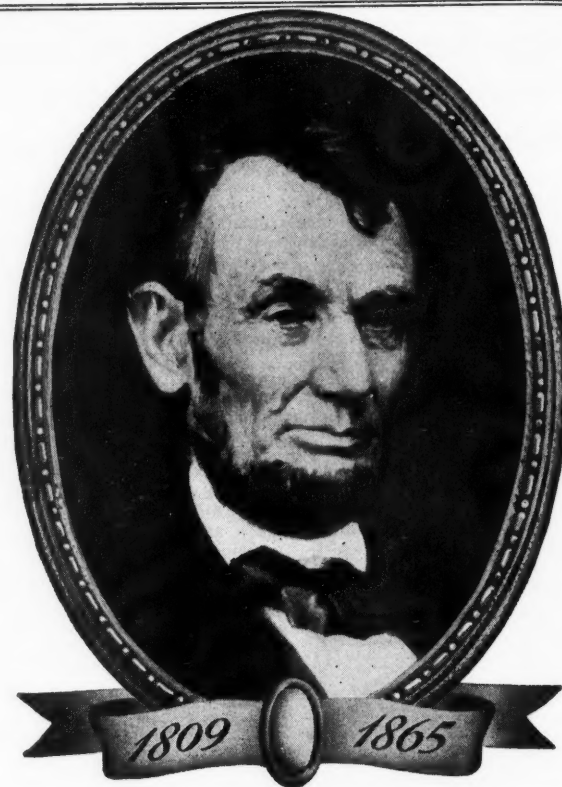
Mr. May did his first work for Travelers as a workmen's compensation special agent at Atlanta in 1917 and later at Detroit. Later he became a special group representative, first at Pittsburgh and then at Atlanta. In 1921 he was made assistant manager of the life department at Atlanta. He was later transferred to Charlotte as manager. In February, 1924, he went to the home office as agency assistant.

Mr. Plumley graduated from Williams College. He joined the group department of Travelers in 1925, serving first in the underwriting division and later as district group supervisor and home office group supervisor.

Mr. Loomis joined Travelers in 1937, went through the training school and was assigned to the Hartford territory as a group assistant. In 1938 he was transferred to the home office as a group supervisor.

Institute Meeting Sept. 25-27

The Institute of Home Office Underwriters has selected Sept. 25-27 as the dates for its annual meeting at the Edgewater Beach Hotel, Chicago.



Appearing in February issues of the Saturday Evening Post, Time, and the National Geographic Magazine

Lincoln's Vision for America

DURING Lincoln's birth month we may well recall his remarkable "Vision for America," contained in his thoughtful conclusions on the Revolutionary War and the founding of the United States. He said:

"There must have been something more than common that these men struggled for. I am exceedingly anxious that that thing—that something even more than national independence; that something that held out a great promise to all the people of the world to all time to come—I am exceedingly anxious that this Union, the Constitution, and the liberties of the people shall be perpetuated in accordance with the original idea for which that struggle was made."*

All the free people of the world again pay homage to the virtues of Abraham Lincoln and give heartfelt heed to his good counsel.

*From Address at Trenton, New Jersey, February 21, 1861.

More Than a Billion Dollars of Insurance in Force



THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

FORT WAYNE, INDIANA

ITS NAME INDICATES ITS CHARACTER

Highlights From 1940 Statements

An average of \$561,290 a day was paid by Equitable Society to policyholders and beneficiaries in 1940. Total for the year amounted to \$205,432,000.

To each \$1 of premium income 27 cents was added as earnings on investments, making a total income for the year of \$1.27. This \$1.27 was used as follows: benefit payments to widows and children, education, to provide for old age, etc., 49 cents; set aside as reserve funds to meet future benefit payments, 49 cents; operating expenses and taxes, 11 cents; additions to contingency reserves and surplus, 5 cents. Policyholders received as dividends the remaining 13 cents.

The annual report is presented to policyholders as a human document, with color pictures, picture graphs and other illustrative devices to dramatize the company's figures and progress for the year. Emphasis is given uses of money in the nation's economy.

New ordinary sales were \$290,519,871 and new group insurance \$90,011,508, making a total of \$380,531,379. At the end of the year \$4,772,825,860 of ordinary and \$2,364,094,782 of group was in force, a total of \$7,136,920,642, up \$200,714,153. Premiums, including annuity and group, were \$300,540,450, up \$26,012,402.

On Income Options 44%

Demonstrating the rapid growth of "planned" insurance programs, of death claims settled under individual policies, 44 percent of the benefits, or \$24,918,719, was left with the Society for payment in accordance with income plans. Ten years ago only 11 percent of maturing claims was left with the Society to fulfill a definite program.

The lapse and surrender rate in 1940 were the lowest in 20 years.

Interest rates have become the most important single factor affecting life insurance costs today, the report states. During the past ten years there has been an increase in the amounts available for distribution to policyholders as dividends from mortality savings and expense provisions, but the amount available from interest earnings has steadily declined. Earnings rate on assets declined from 3.38 percent in 1939 to 3.27 percent in 1940.

Equitable has set aside for policy dividends \$33,508,570 for 1941. Total dividends paid since organization amounts to \$1,043,517,000.

Analysis of Assets

Assets were \$2,564,466,180, an increase of \$162,574,651, aiding industry and small business, public utilities, railroads, the government, and home owners in every state. Principal investments included U. S. government obligations, \$222,619,036; public utility, \$475,078,157; railroad, \$410,654,430; railroad equipment obligations, \$46,542,585; industrial, \$259,887,483; other bonds, \$60,476,866; preferred and guaranteed stocks, \$48,560,059; mortgages, \$327,952,152; real estate, \$154,703,074; and loans to policyholders, \$216,989,036. Surplus was \$99,793,960, a gain of \$15,898,302.

Chief cause of death among policyholders was heart and other circulatory diseases, accounting for 44 percent of death claims. Cancer ranked second with 14 percent, while nephritis and accidents each accounted for 6 percent.

Some confusion has arisen in comparing the insurance written of Equitable Society in 1940 with that of 1939. The insurance written in 1939 is listed in most sources as \$764,673,792 which superficially would indicate that the production for 1940 was only about one-half of that for the previous year.

The explanation is that in 1939 Equitable by use of a formula translated all of its group business, including hospitalization and accident and health into terms of life insurance volume and lumped this with group life and ordinary to produce a figure of \$764,673,792. In its 1940 report, however, it makes a distinction and does not include the

group coverages other than life in its volume of insurance written. The group life written in 1940 was about \$90,000,000 which compared with about \$100,000,000 the previous year. The new ordinary business written in 1940 was somewhat greater than that of 1939, so that the total life insurance volume for both years was practically the same.

RELIAANCE LIFE

Reliance Life reports \$504,774,839 life insurance in force. Assets total \$132,803,268, of which \$1,664,933 is cash, \$15,822,269 U. S. government obligations and \$84,481,265 other bonds. Policy loans total \$19,790,221. Policy reserves amount to \$114,079,390, and reserves for future payments under supplementary contracts, \$7,737,533. Dividends left with interest amount to \$2,464,312, capital \$1,000,000 and surplus \$3,650,000. Accident and health premium income totaled \$780,103.

WISCONSIN NATIONAL LIFE

Wisconsin National Life in its new statement is able to point to plus signs all along the line. Assets are now \$9,968,983, an increase of \$479,419. There was an increase in reserves of \$448,252. Capital is \$400,000, net surplus \$579,344 and surplus for contingent emergencies and depreciation of securities \$375,000, making surplus to policyholders \$1,354,344. At market, the value of bonds exceeded amortized values by \$182,597.

Insurance in force is \$41,388,382, an increase of \$1,202,398.

Wisconsin National is emphasizing accident and health insurance these days and its increase in premiums in that department was \$22,451.

NEW WORLD LIFE

New World Life reports a gain in insurance in force 32 percent greater for the past year than in 1939. There was a gain of 6 percent in new business, due largely to an increase in the average size of the policies, which in 1940 was the largest the company has ever enjoyed.

Insurance in force exceeds \$42,000,000. Capital is \$1,134,500 and net surplus exceeds \$683,000.

Map Program for Eastern L.A.A. Group Rally March 14

The program has been arranged for the Life Advertisers Association eastern round table in New York March 14. Arthur H. Reddall, Equitable Society, heads the program committee.

At the morning session guest speakers will be heard. The luncheon speaker will be Sumner Davis, Provident Mutual, president of the L. A. A.

In the afternoon, the members themselves will conduct panel discussions.

The theme is "Checking Back on Our Advertising."

The keynote talk will be made by Howard D. Shaw, Continental American Life; "Direct Mail" is the subject of Frederick W. Floyd, general agent, Columbian National Life, Philadelphia; "Reaching Women's Market"—Miss Beatrice Jones, Equitable Society, vice-president New York City Life Underwriters Association; "What Makes People Read Advertising," Herbert Thompson of Arthur Kudner, Inc., and Seneca Gamble of the Massachusetts Mutual.

Eight Agencies Gather in Ohio

COLUMBUS, O.—Eight agencies of New England Mutual Life will hold a conference here March 7-8. About 75 men will attend representing the Columbus, Cincinnati, Cleveland, Toledo, Pittsburgh, West Virginia, Louisville and Indianapolis agencies. From the home office will come Walter Tebbetts, Robert J. Lawther and W. E. Hays. The Columbus agency will entertain at a smoker and a dinner also will be given.

95 YEARS of

DEPENDABLE PERFORMANCE

PROGRESS

Marks Our 95th Year

Insurance in Force stands at \$1,084,835,793, the greatest volume in the Company's history. It represents a gain of \$42,980,589 during the year.

New Insurance Protection to the extent of \$101,948,307 was taken out, which is 11.1% more than in 1939, and the largest volume in the past decade.

Assets were increased by \$29,382,558 to a total of \$394,881,555.

Surplus was strengthened by an additional \$1,546,345, and now stands at \$14,566,843.

ASSETS

Cash in Banks.....	\$ 6,698,436
*Bonds: U. S. Government.....	23,517,019
Other Bonds	131,757,252
Stocks (Market Value).....	16,438,070
Mortgage Loans	158,029,122
Policy Loans	34,489,729
Home Office Property.....	2,375,000
Other Real Estate.....	10,722,158
Interest Due \$226,955 and Accrued \$3,863,792	4,090,747
Net Deferred and Outstanding Premiums....	6,764,022

Total Admitted Assets.....\$394,881,555

*At Book Value—adjusted to Market Value in case of Bonds not Subject to Amortization.

LIABILITIES

Policy and Contract Reserves.....	\$319,110,715
Policyholders' Funds:	
Policy Proceeds left with Company	\$33,875,547
Accumulated Dividends	13,996,265
Advance Premium Fund.....	4,343,857
	52,215,669
Reserve for 1941 Dividends.....	5,450,000
Reserve for Taxes Payable in 1941.....	1,300,000
Miscellaneous Liabilities	1,047,836
Market Fluctuation and Investment Contingency Reserve	1,190,492
Surplus	14,566,843
Total Liabilities	\$394,881,555

CONNECTICUT MUTUAL

LIFE INSURANCE COMPANY • HARTFORD

Review Tax Problem of Companies

"We are in for a lot of serious changes and increases in taxation," W. W. Chambreau, tax expert, Washington, told Chicago Actuarial Club members.

Intent of the second 1940 revenue act is to include all corporations, he stated. On the "insurance company income and defense tax return" companies will have to pay the 10 percent income defense tax on normal-tax net incomes of not more than \$25,000.

The form provides for figuring excess profits net income, and companies will have to make a showing and answer certain questions on excess profits, although there is some question as to whether they will be affected by the tax, since allowable deductions in most cases exceed income.

What basis will life companies use, income or invested capital? In the last few days the Bureau of Internal Revenue has indicated that the companies will have time beyond March 15 to determine whether to take the income or invested capital basis. Prior to this, the procedure would have been for the bureau to designate the invested capital basis if the company did not elect by March 15, Mr. Chambreau stated.

Deductions Carry Over

One new item is that net operating loss deductions, if not used up in a preceding year, say 1939, may be carried forward, with certain adjustments. This is not designed particularly for life companies but is granted to them as well as others. If not absorbed, it may be carried to the second year. This will be helpful if the tax basis continues as at present, which Mr. Chambreau doubts.

Mr. Chambreau termed significant a recent decision of the U. S. Board of Tax Appeals in the case of John Hancock Mutual Life. The commissioner of internal revenue ruled that John Hancock and four other companies were liable for payment of federal taxes on the estate of Bert Hanna, Detroit, because Mr. Hanna had left the funds with the company to be paid beneficiaries as income, making the companies transferees under the definition of the 1926 revenue act, as amended. The board of tax appeals upheld this view. The estate of Mr. Hanna was insolvent.

Consolidated with the John Hancock petition were petitions of the Northwestern Mutual, Connecticut General, State Mutual Life, and Equitable Life of Iowa. A total of \$243,350 on 15 policies was involved, all of it set up for payment to beneficiaries on substantially the same basis.

Liable for Estate Taxes

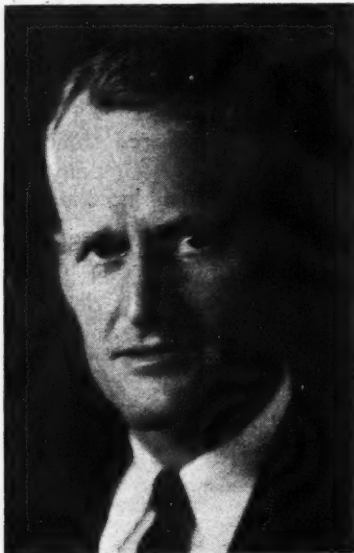
In each proceeding the parties stipulated that the question for decision was, are the companies transferees of the proceeds of the policies left on deposit with them upon decedent's death, and are they liable for payment of the federal estate tax plus interest? The board said they are.

"Since the decedent did not elect during his lifetime to accept the cash surrender values or to require payment of the proceeds to his executor or his administrator, the entire face value of the policies came into possession of the insurance companies at his death, to be used in making payments under the settlement options," the board held. "Where the proceeds of a policy of insurance are paid to a beneficiary in a lump sum upon the insured's death, then, of course, the beneficiary of the insurance policy is the transferee of the proceeds of the policy and not the company. But where upon the death of the insured the company at the direction of the deceased pays over the proceeds of the policy itself, to be held on deposit for deferred settlement with the named beneficiary, it is a transferee. It is, of course, true that such transfers as these are only book entries, but they are substantial and of important consequence."

Ely Is Actuary of Country Life; Mieher Is Manager

Ray E. Ely, manager of the actuarial department of Central Life of Iowa, was named actuary for Country Life Wednesday. He succeeds Howard C. Reeder, who becomes vice-president and actuary of Continental Assurance. D. C. Mieher was made manager.

Mr. Ely has had 7½ years' life insurance



DAVID C. MIEHER

experience in the actuarial department of Central Life. He has been manager of the department since 1936. He is a graduate of South Dakota State College and received his masters degree from the University of Nebraska. For two years he was instructor in mathematics at the University of Wisconsin. He is an associate of the Actuarial Society of America and the American Institute of Actuaries. Mr. Ely is married and has three children.

In addition to his duties as actuary of Country Life, Mr. Ely will also be consulting actuary for Illinois Agricultural Mutual and Farmers Mutual Reinsurance, which, like Country Life, are associated companies of the Illinois Agricultural Association.

Mr. Reeder has been actuary of Country Life since 1933 and during the last three years has also been manager of the home office. Mr. Reeder's responsibilities as home office manager will be taken over by Mr. Mieher, sales manager for Country Life, who was elevated to manager of the company by directors.

The companies are liable for the tax.

The beneficiaries would perhaps have the right to intervene in such proceedings, the board indicated, but did not in this case.

There was more than enough left with the companies in policy proceeds to pay the taxes.

Recovery Discussed

While the question of recovery from the proceeds already paid was not raised, Mr. Chambreau supposes that the company would have the right of subrogation in a case of this kind. Recovery might be worked out by negotiation with the estate. He added that in the collection of a tax from a transferee the government has an additional year.

In view of the board's decision it might be well for life companies to check on estate taxes before starting distribution of policy proceeds. Mr. Chambreau suggested. The board's decision is indicative of a trend, and the attitude of the higher courts today probably would sustain it.

A note of warning was injected by Ross E. Moyer, actuary for Continental Assurance, who is going to a similar position with the Northwestern National Life, on level premium policies that

Penn Mutual Takes Soundings

Penn Mutual Life has sent to its general agents an interesting questionnaire. Vice-president A. E. Patterson states that it is the company's method of talking soundings" and the management is particularly eager to discover those things which the general agents feel are helpful, worthwhile and productive of results.

The questionnaire seeks to find out how many men have secured the C. L. U. designation, how many are studying for the examinations, what the general agent is doing to promote interest in C. L. U. There are questions regarding company bulletins, regarding the percentage of the agency staff that belongs to the National Association of Life Underwriters.

There are inquiries as to the attitude of general agents toward Penn Mutual's national advertising, the reaction of their agents and of the public. Questions are asked about the text of the advertisements, whether they should appear in other publications. It inquires about the Institute of Life Insurance and the Managers Magazine. Penn Mutual seeks to find out whether the general agents like the regional conferences, how often they should be held.

Questions are asked about direct mail such as: "Is it used in your agency?" "Are new men encouraged to utilize it?" "What letters have proved most effective?" "What volume of business results from direct mail?" "Is any one plan of direct mail being used predominantly?" "If so, which?" There are questions about the effectiveness of the prospect bureau and how it is handled.

The final questions are: "What are we doing that we shouldn't be doing?" "What aren't we doing that we should?"

carry a double or triple face value up to a certain age and then reduce, where such policies contain the conversion privilege. The amount needed to convert at the larger principal sum will be substantial after some years in force, probably too expensive for the average insured. However, if the insured becomes overweight, or develops a heart murmur, or for some other reason cannot get standard insurance, he is likely to convert. If this type of policy provides conversion, it could be pretty expensive from the standpoint of adverse selection 25 to 30 years from issue. Continental does not include the conversion privilege in the policies of this type it issues, Mr. Moyer stated.

The present seems to Mr. Moyer the logical time for life companies to increase rates. The public is well aware of decreased interest earnings, and companies have reduced return to policyholders to about as low a level as they can and still be competitive.

Howard C. Reeder, actuary for the Country Life, who is going with Continental Assurance in that capacity, discussed several policies of the type that provide an increased principal sum up to a certain age and then reduce. Country Life's "mortgage" policy has in three months produced more than \$7,000,000 of business. While designed as a mortgage policy, it has been sold 80 percent for family protection.

The club elected to membership Dr. John R. Abernethy, Central Life of Illinois; V. E. Holland, Pilgrim National Life; John Bilsbarrow, Benefit Association of Railway Employees, and Gerald Leies.

S. T. Whatley, vice-president of Aetna Life, paid a short visit to the Aetna Life agency in Chicago Friday. He was returning to the home office after attending the 50th anniversary celebration of Albert E. Nielenz, general agent for the company at Milwaukee.

Travelers Agent in N. Y. Gives Cupid a Lift

Francis H. Wheeler, agent for Travelers in the Empire State, New York branch, recently gave "Cupid" a lift by making it possible for a Dutch girl in England to sail to America to be married.

One of Mr. Wheeler's clients had a nephew who was forced to leave England because of the war after completing only two years of a Rhodes scholarship at Oxford University. The nephew, however, had previously fallen in love with a girl student from The Netherlands, but had to sail back without her because of transportation and immigration difficulties. Now, back in America, the nephew was moving heaven and earth trying to cut through the red tape which kept him separated from his fiancée.

Only one last barrier needed to be overcome and that was proper certification of the financial standing of the nephew and his family. The government required statements as to the cash values of the uncle's life insurance policies. Within 24 hours after Mr. Wheeler discovered what was needed, the cash values were computed, an affidavit drawn up in triplicate, signatures witnessed and attested and the information given the client, with nothing more to be done. The executive is appreciating the service given him by his insurance agent, and Mr. Wheeler is now awaiting an introduction to the little Dutch girl he helped change from "Miss" to "Mrs."

Read's Former Assistants Make Good in Other Fields

OKLAHOMA CITY—Commissioner Read of Oklahoma may not be infallible in picking a Kentucky Derby winner, but is a little cocky over his ability to pick a winner for assistant commissioner. Since he took office in 1926, he has selected five assistants and each resigned to attain success in his particular business field.

His first selection was Royce Savage, just out of law school at the Oklahoma University who served in 1927-28. He resigned to take up general law practice and now, at the age of 36 years, has been appointed U. S. district judge for northern Oklahoma, with headquarters at Tulsa.

Then came J. B. Thompson, a classmate of his predecessor. He remained until 1931, when he resigned to practice law at Ardmore. He was elected state senator in 1936, reelected in 1940, and is now prominently mentioned for Congress.

Straight from college came Leonard Savage, younger brother of Royce, but equally as ambitious and aggressive. He resigned in 1934 to practice law in Oklahoma City. He specializes in insurance and now represents several of the larger companies.

F. A. M. Petree, the fourth choice, worked with the commissioner nearly four years, resigning as regular assistant to become his special assistant to handle all receivership cases. The present incumbent is J. F. Gibson, who his employer says is doing a "swell job" and is in line for something better when he is ready to enter the general business field.

Quarterly Book Reviews

The insurance group of the Special Libraries Association publishes each quarter a booklet, "Insurance Book Reviews," which contains brief reviews of outstanding insurance publications issued the previous three months. The cost is 50 cents for one year or \$1 for three years. Margaret C. Lloyd, Retail Credit Company, Atlanta, handles the circulation list.

McGovern Stock of Aetna and Travelers on Sale

HARTFORD—The first group of Travelers shares from the estate of the late Patrick J. McGovern, largest individual holder of Travelers and a large owner of Aetna Life stock, was moved in an over-the-counter sale here last week by Putnam & Co. The 3,000 shares sold at \$400 a share for a total of \$1,200,000. Whether the shares went out in a single block or in a few large blocks was not disclosed, but the issue was placed before noon of the day on which they went on the market. It was the largest transaction of its kind in Hartford in many years.

Stock Moves Promptly

The stock, in the process of liquidation to meet taxes and other expenses of the estate by its executor, has sold between \$385 and \$468 during the past year or two. On Feb. 20, the day the 3,000 group moved here, the stock was quoted in the over-the-counter market at \$293 bid and \$403 asked. Prompt movement of the 3,000 shares was all the more remarkable because of the weakness of the New York stock market.

On Tuesday of this week 40,000 shares of Aetna Life stock from the estate were liquidated at \$26.50 per share. The transaction was handled by Putnam & Co., as agent for Hartford National Bank & Trust Co. Price range of Aetna Life's stock in 1940 was \$23 to \$32.76 a share.

Effect of the McGovern sales on Aetna and Travelers stocks has been negligible.

Report has Travelers price pegged at \$400, and stock will be available at that price, but at no lesser figure, during the year following Mr. McGovern's death. For the smaller investor the \$400 price is something of a mental hazard. Many of them would rather buy five or ten shares of something at a smaller unit price, even though the return is no greater.

The McGovern will has been filed. It provides that a sufficient number of Travelers shares to produce a \$1,000,000 fund be set aside to provide for Mrs. McGovern. One of the heirs is Hugh McGovern, a nephew, who is with Aetna Casualty.

Fidelity Assurance Nearly Ready to Start Business

Fidelity Assurance of Wheeling, W. Va., expects to be ready within a week or 10 days to announce its program of operations, policies, rates and executive staff. Much work already has been done. An actuary and a medical director have been retained. A special combination policy containing a number of novel features is being perfected.

Fidelity Assurance has not yet been licensed outside of its home state of West Virginia. Forms are being completed for application for entry into other states.

Fidelity Assurance represents a conversion into a regular life insurance company of Fidelity Investment Association of Wheeling which has been selling exclusively an annuity contract with an insurance endorsement underwritten by Lincoln National Life. Fidelity Investment is continuing to operate in the various states until Fidelity Assurance is ready to commence business. The holders of the old annuity contracts will be given the opportunity to convert those instruments into a new form of policy of Fidelity Assurance, but the management does not intend to put on a drive to rewrite the business. The old contracts will be an obligation, according to their terms, of Fidelity Assurance.

Showing the extent to which sudden death strikes, nearly 66,000 persons died last year within 12 months after having been accepted as fully insurable for life insurance, according to the Institute of Life Insurance.

Utah Commissioner Enters Army Service in Cal.

Commissioner C. C. Neslen of Utah, a member of the U. S. Army Reserve Corps, will report for active duty March 3 at San Luis Obispo. He will be a member of the chaplains corps but in addition will carry on educational activities. He is immediate past president of the National Association of Insurance Commissioners.

Find Stock, Bond, Grain Men Looking to Insurance Selling

General agents and managers find these days that there is quite a supply of prospective agents in the field of stock, bonds and grain. One general agent in Chicago the other day inserted a key "ad" for a job offering opportunities in "creative selling." He got 105 replies, about half of which were from men presently or formerly connected with the stock, bonds and grain business. Currently there is a very pessimistic feeling among those in the securities and grain business. Not only are present conditions discouraging but they are unable to see any future ahead. The downward trend of prices for seats in the exchanges is indicative of that pessimism. It is recalled that the other day a New York Stock Exchange seat sold for as low as \$26,000.

Seasoned general agents are scrutinizing these prospective agents very carefully, however. They find that a good many of these men have been accustomed to a rather easy living and that they are now looking for a new "Santa Claus." Very few of them are mentally prepared to carve a new career the hard way.

Mich. Governor Wants More Money for Department

LANSING, MICH.—Governor Van Wagener of Michigan in addressing the mid-year meeting of the Michigan Association of Insurance Agents, asserted that the chief need in the insurance department is for additional appropriations to increase its man power and to make possible a departmentalization of activities. This expansion, he said, could be financed from the present revenues from licenses and fees assessed against agents and it would not be necessary to reach the taxes that are paid by insurance companies.

The insurance business is more than paying for adequate regulation through special fees and licenses, he said. The state is as much interested in guarding against unethical practices as are the insurance practitioners themselves. There is no reason why adequate appropriations should not be made, he declared.

New Dallas Life Formed for Reinsurance Business Only

A new life insurance carrier, the Dallas Life Insurance Company, has been formed at Dallas to handle reinsurance business exclusively and has been licensed by the Texas department. The company, which starts with a cash capital of \$25,000, has the following officers: D. J. O'Keeffe, president; J. M. Hopkins, vice-president; E. C. Smith, secretary; Dr. J. D. O'Brien, medical director, and Harold Sanders, attorney, all of Dallas.

For the time being the company will reinsure policies currently being issued by the Texas Legal Reserve Funeral Society, which has branches in more than 20 Texas cities. Officers of the society and the new Dallas Life are the same. The society is a legal reserve fraternal organization with branches domiciled in funeral homes where it is replacing "assessment" mutual aid and burial associations.

QUIZ AD No. 3

QUERY: What life insurance company regularly consults with its agents on matters of company policy?

COMMENT: Believing that the problems of its fieldmen are the problems of the company . . . Continental Assurance is glad to have an independent, self-governing General Agents and Managers Association which counsels frequently with the officers of the company on agency and administrative affairs.

Continental
ASSURANCE COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY

West Acquires Control of United Life of Kansas

Controlling interest in United Life, Salina, Kans., was acquired last week by W. M. West of St. Louis when he purchased a block of more than 8,000 shares of stock from the Brown Memorial Foundation, Abilene, Kan., and a block of almost 6,000 shares from H. K. Lindsley of Wichita, president of the Farmers & Bankers Life, together with a few smaller blocks from individuals. A total of 20,000 shares is outstanding.

United Life directors accepted the resignation of H. K. Lindsley and L. O. Verckler. Mr. West and Louis L. Miller, secretary and actuary, were elected to fill these vacancies. Mr. West succeeds R. J. Laubengayer as president, although Mr. Laubengayer continues with all other former board members. No changes are contemplated in the home office personnel.

Mr. West will soon be located permanently in Salina where he will take active charge of the company. He plans an active expansion program. He has had many years of experience in the life insurance field and also with health and accident insurance, both of which United Life will feature in the future. Mr. West is a member of the Miller-West agency in Denver, which is operated by his son, Rex West. It has a general agency contract for several states, handling a special policy issued by the Lincoln Liberty Life of Lincoln, Neb. It also represents Continental Casualty. Mr. West is president of the American Group Agency Co. at St. Louis.

For some years Mr. West represented the Continental Casualty when accident and health insurance was new. He pioneered the line in the sawmill territories of the south, in mining communities, and elsewhere, and was one of Continental's first accident and health producers.

Schmausser and Owen Are Advanced by Capitol Life

Capitol Life of Denver has made William F. Schmausser secretary and Arnett H. Owen assistant secretary.

Mr. Schmausser has been with Capitol Life since 1912 when he was employed as an accountant. In 1915 he was made cashier of Thomas F. Daly Agency Co. In 1921 he became vice-president and director of Independent Investment Corp. He was instrumental in the formation of the Daly General Agency, Inc., in 1923, and was elected director and treasurer. In 1928 he again became more actively associated with Capitol Life in charge of the agents' accounts and assisting in mortgage loan investments. He assumed active management of bond investments of the company in 1930, and in 1936 was elected a director and assistant treasurer.

Mr. Owen joined Capitol Life on May 1, 1940, in charge of policyholders' service department. For a number of years he was identified with the American United Life.

Business on the Increase

The Washington National of Evanston, Ill., shows a handsome increase in its accident, health and life industrial business for the first two months. It notices a very strong advance where there are large defense operations. The employment situation is much better. People have regular work and hence can afford to buy insurance.

Expect Big Florida Crowd

For the sales congress and convention of the Florida Association of Life Underwriters at West Palm Beach April 3-4, with a full sales program by the Life Insurance Sales Research Bureau, the ten local associations, with membership of 500, and other interested life producers are expected to provide a record attendance.

President G. B. Cannon, Tampa, has named LeRoy Johnson, Jacksonville past state president; Lew Erckert, West

Palm Beach, and Arch Cassiday, Miami, to the program committee, and Walter Schutt, Miami, head of the attendance committee.

April 3 will be an all day session in charge of the Research Bureau, for managers, general agents and district managers on recruiting, selection, training and supervision of agents. At 4:30 the convention will hold a business session, including election of officers, followed by a banquet and dance.

The second day sales congress will cover "The Job of the Agent," "Prospecting," "Personal Efficiency," "Improved Methods for Salesmen." John Marshall Holcombe, Jr., Research Bureau manager, will preside. Subjects will be handled by B. N. Woodson, Bureau director of service, and Lew Chapman of the Bureau schools in agency management.

Commissioners Confer in Boston

BOSTON—Current developments in insurance legislation and supervision, with particular reference to problems affecting the New England area, were discussed here at a commissioners conference attended by Francis, Maine; Rouillard, New Hampshire; Harrington, Massachusetts; Morin, Rhode Island and Blackall, Connecticut. Superintendent LaFrance, of Quebec, was a visitor.

Kenneth Force Joins National Underwriter Staff

Kenneth Force of Kansas City has joined THE NATIONAL UNDERWRITER in the editorial department in Chicago as associate editor. Mr. Force has a considerable insurance knowledge, and for the past 11 years in his work as editorial representative in Kansas City he has been correspondent for THE NATIONAL UNDERWRITER and other insurance publications, as well as contributing to and corresponding for "Sales Management," a number of motion picture magazines and numerous other trade publications. He is also the editor of the weekly insurance column in the Kansas City "Star." Mr. Force attended Kansas University and for a short time was on the editorial staff of the Albany, N. Y., "Times-Union."

Boston Actuaries to Meet

The Actuaries Club of Boston, with E. T. Burkeley as chairman, at a dinner meeting March 5 will review annual statements; discuss proposed legislation in Massachusetts and New York on valuation standards and non-forfeiture values; company plans for changes in mortality and interest assumptions for new business; effect of excess profits tax on

the insurance business; use of life policies as collateral security for commercial loans and effect on policy loans, and the experience of companies in liquidation of small amounts of paid-up insurance by payment of cash surrender values.

Organize for Ohio Congress

Heads of state and local committees in charge of arrangements for the convention of the Ohio Association of Life Underwriters in Akron May 8-10 have been appointed. Charles E. Ransower, Akron manager of Metropolitan Life, is general chairman.

J. P. Smith, Acacia Mutual, is vice-chairman. Some of the important committees are: Judd C. Benson, Union Central, Cincinnati, program; Ray Hodges, Ohio National, Cincinnati, officers training school; John H. Geer, Lincoln National, advance registration; E. S. Renner, Connecticut General, banquet.

Also Laura Doncaster, American United, women underwriters; T. F. Donahoe, John Hancock, company meetings; E. C. Noyes, Massachusetts Mutual, general agents; C. S. Bateson, Life of Virginia, golf; J. T. Kimberley, Prudential, reception; R. E. Werts, Northwestern Mutual, hotel reservations.

WE'RE pleased to announce that some N^WNL agents and their families are enjoying brief sojourns in the West or South this winter.

We don't begrudge them this luxury. They are, almost without exception, veteran agents whose consistent production of good *persisting* business over the years is now paying them real money in renewals under the Arnold System. That these men can now begin to realize life-long dreams of a winter vacation in a warm climate is proof that the System is doing just what it was designed to do—pay adequate compensation to the "backbone" agent who measures his success in terms of *satisfied customers* rather than in sales alone. He's earned it—and he gets it.

We wish *all* our old-timers who feel so inclined could vacation in California or Florida. Some day, we expect, they can.

NORTHWESTERN National LIFE INSURANCE COMPANY

O. J. ARNOLD • PRESIDENT

MINNEAPOLIS • MINNESOTA



LEGISLATION

California Savings Bank Bill Has Little Backing

LOS ANGELES—The savings bank bill introduced in the California legislature by Rep. Voight is similar to the bill introduced last year which was backed by Governor Olson. Since then the governor and Mr. Voight have split and it is understood that the present bill was introduced by Mr. Voight on his own initiative and it has no particular backing.

A. L. Gock, president California Bankers Association, reports that California banks do not wish to write life insurance, the Los Angeles banks being particularly opposed to it.

Commissioner Caminetti has not expressed his attitude on the bill, but E. P. Tray, chief assistant commissioner, favors the measure on the ground that it would prevent the high cost of industrial insurance and be of benefit to the business as a whole.

The introduction of the bill caused considerable flurry among life insurance men until it was discovered that only Mr. Voight was behind it. The state association is watching the measure closely.

Bills that are backed by Commissioner Caminetti have been introduced by Assemblyman Maloney. AB 1511 gives the commissioner regulatory and licensing powers over counsellors who operate on a fee basis and who contend that they are not life agents. The bill is similar to the one presented to the insurance legislative conference which was opposed on the ground that by adopting licensing provisions, the counsellors' operations were legalized. However, the bill gives the commissioner power to regulate their activities.

Several other bills provide for new regulations governing the operation of the Chapter nine companies. These measures put more restrictions upon management and limit salaries, fees and bonuses.

Another bill gives the commissioner power to prevent domestic companies from advertising or transacting business in other states in which they have no license to operate.

Savings Bank Insurance Introduced in Missouri

JEFFERSON CITY, MO.—A bill to permit Missouri savings banks to write life insurance and annuities has been introduced in the Missouri legislature by Representative Librach. It would limit life policies to \$1,000 and annuity contracts to not more than \$2,000 a year. Policies could be sold only to residents of Missouri or persons regularly employed in the state. Formation of the insurance department of a bank would have to be approved by the Missouri state insurance and the state finance departments. Regulation of the bank insurance system would be by the insurance department. Banks would be prohibited from employing salesmen, solicitors or collectors, sales being on an over-the-counter basis. Similar bills were defeated at the last two sessions of the legislature.

Burial societies are backing the Searcy bill which would place them under the supervision of a special commissioner appointed by the attorney-general. The bill requires reserves but permits payment of benefits in services and material.

New Savings Bank Bill

HARRISBURG, PA.—A savings bank life insurance bill has been introduced in the Pennsylvania house by representative S. Rosenfeld. Mutual savings banks would be permitted to establish life insurance divisions under a series of regulations.

A bill requiring companies to post security with the insurance department to assure payment of cash surrender value on policies has been introduced by Assemblyman Maxwell.

Moves to Probe Companies

Assemblyman F. G. Morit, Democrat, Brooklyn, has introduced a resolution to create a joint legislative committee to investigate the life companies, and appropriating \$25,000 for expenses. Mr. Morit is not on the insurance committee. His proposal is not sponsored by the department and apparently has few if any supporters other than himself.

Iowa—H. F. 312 sets up regulations for benevolent associations operating on assessment or contribution plans.

Massachusetts—A hearing was held on a bill introduced by H. D. Long, tax commissioner, which seeks to place a 2 percent tax on all life insurance payments of \$10,000 or over. W. E. Monk, Massachusetts Mutual, counsel from the New England Mutual Life and Columbian National, and state and local associations' representatives opposed the bill.

Nebraska—The governor has signed the measure limiting the amount of insurance burial associations may write to \$500, with permission to write \$1,000 if there is a surplus of \$5,000 or if the excess is reinsured. Reserves and investment requirements of life companies must be observed.

A measure was also enacted reducing the group life insurance minimum from 100 to 25 persons.

Oregon—S. B. 50 clarifies points on which life companies fear they are not adequately protected as to contestability of policies written in Oregon with the usual rider covering persons, piloting or taking frequent plane trips.

The bill would remove the phrase "in time of war" as relating to naval, or military or "aerial" service. The latter phrase is replaced by broader expression "or to aeronautics." Rights of insured persons are not affected, according to Commissioner Thompson, who is backing the bill.

Montana—The bill to increase the premium tax on insurers to 4 percent has been killed.

Faught Mid-Continent Leader

Clyde Faught is new president of the \$100,000 Club, Mid-Continent Life of Oklahoma City, as a result of writing more business in 1940 than any other club member.

Marquis Bowman, general agent for Bankers Life of Iowa, Chicago, is on a vacation trip in Florida for two weeks with his father, DeForest Bowman.

New Michigan Commissioner Honored at Detroit Dinner

DETROIT — Company executives here honored incoming Commissioner Berry, and paid tribute to the retiring commissioner, John G. Emery of Grand Rapids. Approximately 80 prominent Detroit insurance men attended the banquet and get-together.

William G. Curtis, president National Casualty, was chairman. Walter E. Otto, president Michigan Mutual Liability, was toastmaster. George K. March, president Detroit National Fire, and J. J. Ramsey, general manager of Detroit Inter-Insurance Exchange, were in charge of arrangements.

Among the speakers were Mayor Jeffries and Senator Hammond, Benton Harbor, chairman of the senate insurance committee.

Every branch of the insurance business and all Detroit insurance companies were represented. Other speakers who made short addresses were: Charles C. Bowen, president of Standard Accident; E. W. Thompson, supreme commander of Maccabees, and Ralph Thomas, vice-chairman of Detroit Inter-Insurance Exchange.

Increase your sales during Accident & Health Week, March 24-29.

Pilot Life Experiences Banner Year in 1940

Significant Facts From 1940 Annual Statement:

TOTAL INSURANCE IN FORCE.....	\$146,642,047.00
An increase of \$9,075,957.00 or 7%	
TOTAL ADMITTED ASSETS.....	\$23,127,621.73
An increase of \$1,821,946.61 or 8½%	
PREMIUM AND INVESTMENT INCOME.....	\$5,162,990.80
An increase of \$326,163.19 or 7%	
INTEREST RETURN ON INVESTED ASSETS.....	4.6%

Nineteen-Forty financial statement figures also reveal that the total insurance in force, total assets, gain in assets, and premium and investment income attained new highs in the Company's history.



PILOT LIFE
INSURANCE COMPANY

GREENSBORO, N. C.
Emory C. Green, President



Long Awaited SEC Report Is Released

(CONTINUED FROM PAGE 1)

"tangled web of interlocking directorships which binds the principal life insurance companies with the country's major banks and industries."

Cites Attendance Record

In this connection, the report specifically points to the attendance record of some directors at board meetings and the use of their positions by some directors for personal gains through the institution of preferential business transactions and loans, or the initiation of changes in the basic plan of company operation designed to promote their private interests.

Considerable attention also is given to the experience of life companies during the depression, particularly the withdrawal of 188 companies from the business since 1930.

Two of the most important sections of the report deal with agency practices and industrial insurance, respectively. In the first of these sections the company drive for new business and the emphasis upon size for the sake of size alone are examined and the resulting dislocation in agency activity exemplified by inadequate training of agents, poor selection of agents, high turn-over, and the seriously low compensation of agents are discussed. The consideration of industrial insurance is based on material developed at hearings as well as upon a field survey of insurance distribution to low income families, and analyzes the effects of over selling and high pressure methods frequently typical of this form of insurance. Facts are presented "demonstrating the resulting maldistribution of policies, and the excessive lapse and the high cost of industrial policies."

Investment Features

The SEC considered most significant the sections dealing with the operating and investment features of the business, showing that the increasing amount of money passing through the hands of the life companies has brought about serious investment problems which in turn have become more acute due to the diminishing supply of bonds and mortgages and the steadily declining interest yield on such securities.

"On the one hand the companies are admittedly unable to get a large part of their money invested," it was declared. "Industry, on the other hand, is obliged to take into account this insatiable appetite of the insurance company for bonds. The net effect is that judgment as to the type of security best suited to a particular corporate structure is often affected by the ease with which bonds may be marketed. The frequent long-term advantages of equity financing are obscured by the vogue for bond financing. Common-stock financing has gone increasingly out of style with resultant serious effects upon the sources of capital of those portions of American industry where bond financing is either inadvisable or unavailable."

Although O'Mahoney declared that the insurance companies had made no effort to halt the inquiry, as has been charged from time to time in the press, one whole chapter of the report is devoted to the "Life Insurance Lobby" and particularly the Life Presidents Association. Considerable detail is given of the manner in which that organization has operated to prevent the enactment by the states of undesirable legislation.

Lobby Is Successful

"It can be concluded that the Association of Life Insurance Presidents is a powerful body, able to combat successfully legislation intended to regulate or affect life insurance companies. Its influence extends from the initial election of state representatives to the building up of propaganda through the artificial stimulation of policyholders," the report asserted.

"A 'clandestine' lobby still exists. While present-day practices are not as crude as those scored by the Armstrong committee in 1906, the life insurance lobby has become more polished and its effectiveness has been increased through concentration of funds and initiative in the hands of a single outfit. No justification exists for a lobby carried on without adequate disclosure and financed with the funds of policyholders whose interests more properly should be guarded by the free judgments of their elected representatives."

Announcing that the insurance organizations will be permitted to file any comment they may wish to make on either the report or the recommendations which are to be made, O'Mahoney declared that "by and large, the insurance companies have come through this study in good shape. They are not perfect and there are many facts set forth in this monograph which will doubtless indicate possibilities for material improvement in the handling of the insurance business in this country."

The TNEC investigation was unable to go into the field of fire and casualty insurance or into the question of state regulations because of lack of both time and money, he disclosed.

PROBLEM OF SMALL BUSINESS

WASHINGTON — Life companies get their wealth from "the savings of the masses," but cannot meet the loan needs of small business because it would be uneconomical to handle the small amounts of money involved, it was declared this week by Senator O'Mahoney.

O'Mahoney said that studies made by the committee show that a large part of the nation's savings have been concentrated in the control of the large life companies, but that the very size of those organizations makes it impossible for them to afford aid to the small business man in need of capital.

"The existence of this concentration of savings does not in any sense mean a criticism of insurance management," he emphasized, "but does strikingly call attention to the fact that the sources of financial supply of small business have dried up."

Possible methods of placing insurance money in more general circulation are being studied, he indicated, but admitted that no definite conclusions have yet been reached.

As an example of the "modern tempo of capitalization" and the manner in which the insurance companies operate, O'Mahoney cited the construction of Rockefeller Center, where the second wealthiest family in the country was borrowing money from an insurance company (Metropolitan Life), which in turn had received it from millions of small policyholders.

RHODES' REACTION

NEW YORK—In response to inquiries from the press Vice-President E. E. Rhodes of Mutual Benefit Life made the following comment on the report submitted by the SEC:

"The report submitted by the Securities & Exchange Commission to the Temporary National Economic Committee on the subject of life insurance relates to only one major subject which has not already been covered by the statement on life insurance which was filed with the committee on Aug. 13, 1940, and which bears the signature of 178 United States life insurance companies.

"The suggestion that life insurance funds be invested as venture or risk capital in new enterprises which is the only new subject of importance, has been a matter of discussion for a great many years. Many states prohibit investment in common stocks by life in-

surance companies; in fact, in 1906 the Armstrong committee, of which Charles Evans Hughes was counsel, said in its report to the New York legislature:

"Investments in stocks should be prohibited. They are fundamentally objectionable, as the corporation, instead of holding a secured obligation, acquires a proprietary interest in another business, with rights subject to all indebtedness which may be created in the conduct of it and often direct liabilities as stockholders. This interest must be nourished and supported. Instead of being a creditor with adequate security, to which upon default the corporation may resort, it assumes the responsibilities of proprietorship and must contribute from the accumulations provided by the policyholders in order to sustain the enterprise."

"During the boom times of the twenties there was renewed agitation. But sober discussion served to preserve to life insurance policyholders the prevailing strict investment requirements and, happily, the disaster which might have then been incurred was avoided."

Same Position as Trustees

"Policyholders will have little patience with a proposal that funds set aside for their widows and orphans or for their own security in old age, shall be made available for the stimulation of new enterprises which have not proved their worth. It must not be overlooked that life insurance companies with respect to the investment of funds entrusted to their care are in the same position as trustees and other fiduciary institutions."

Mr. Rhodes spoke as a member of a committee of life company executives which includes L. A. Lincoln, president of Metropolitan Life; L. F. Lee, president of Occidental Life of North Carolina; T. A. Phillips, president of Minnesota Mutual Life, and M. A. Linton, president of Provident Mutual Life.

This committee last August prepared a statement of 107 printed pages, signed by 178 life companies, for incorporation in the TNEC record.

"It is difficult to understand," Mr. Rhodes adds, "why the report of the Securities & Exchange Commission altogether ignores such an important statement on life insurance."

New Michigan Company Ruling

LANSING, MICH.—Foreign companies whose corporate powers exceed those allowed under Michigan laws to similar domestic carriers may not be legally licensed by the insurance department, James F. Shepherd, assistant attorney general, has held in an opinion rendered Commissioner Berry.

A bill has been introduced in the legislature modifying the law to permit admission of companies with corporate powers conflicting with Michigan statutes through "proper action by the directors" to limit those powers as regards Michigan business and also requiring any such license applicant to declare under which statute it would operate.

Starts Color Advertising

The Mutual Life of New York is using color advertisements for the first time in its display this week in the "Saturday Evening Post." The same copy, in black and white is scheduled for "Collier's" for March 15. The illustration is of a never before published painting of an old wood-burning locomotive in the Currier & Ives style. It was painted by Paul Pennoyer, prominent American artist and was exhibited at the New York world's fair. Theme of the copy is the Mutual's 98-year history, under the caption, "From Wood-Burner to Streamliner." An inset of a modern streamlined locomotive is joined with the illustration.

L.O.M.A. Meeting Dates Set

The special conference of the Life Office Management Association will be held at the Hotel New Yorker, May 1-2, while the annual conference will be held in Cincinnati, Sept. 29-Oct. 1.

Johnston "Loaned" to U. S. to Aid in Loan Program

ST. LOUIS—Gale F. Johnston, regional group manager Metropolitan Life and a trustee of the National Association of Life Underwriters, has been "loaned" by Metropolitan Life to the United States Treasury department to aid in the national defense loan financing program.

Secretary Morgenthau has indicated that the government plans to float a large volume of baby bonds and savings stamps in connection with the plans to raise funds for national defense and aid to Great Britain.

Special Libraries Group to Hartford June 16-20

Annual convention of the Special Libraries Association will be held in Hartford June 16-20.

The association is a national group of librarians of all types of business and professional organizations, with those in each field having their own identity.

The 200 insurance librarians will visit many of the insurance companies and their libraries in Hartford. At their opening meeting Commissioner Blackall of Connecticut will give the welcoming address.

Margaret C. Lloyd, librarian of the Retail Credit Company, is chairman of the insurance group.

Would Extend Social Security

Federal Security Administrator McNutt, in the annual report to congress of the Social Security Board, recommends that federal old age and survivor insurance be extended to bring in most of the major occupations that are still excluded, such as agricultural and domestic work and that in non-profit educational and charitable organizations. The report also suggests the inclusion of federal, state and local employment that is not now covered by other provisions for survivors insurance and retirement benefits and states that a coordination of existing public retirement systems would be advantageous to public employes and to government agencies.

Mystery Charter in Connecticut

Western Hemisphere Insurance Company is the title of a company for which a charter is being sought from the Connecticut legislature. The interests seeking the charter have not been divulged and since the bill is in merely skeleton form, the type of company proposed is not made clear.

An unnamed group, through its attorney, Charles H. Blackall, brother of Commissioner John C. Blackall, has drawn up a skeleton bill and registered with the secretary of the state, with the idea of seeking a charter from the general assembly for a new concern to be called Western Hemisphere.

To date that is as far as matters have gone. The company is in an embryonic state and may not form at all.

The bill did not state the amount of capitalization nor did it give names of backers. It is believed that they are interested in reinsurance.

Charles H. Blackall holds no official position in the state and is acting simply as attorney. The commissioner himself has nothing whatever to do with this new group.

National Life, U. S. A. Fund

As of Dec. 31, the National Life U. S. A. fund in custody of the Washington National of Evanston, Ill., shows legal reserve \$29,625,093, surplus and contingency reserve \$1,073,954, assets \$46,922,183. A year ago the Washington National reduced lien on National Life, U. S. A., policies 15 percent, which cut into surplus. However, profits from the fund last year enabled the company to add \$700,000 to surplus.

Just the thing to convince hard boiled prospects—"24 Men in 24 Years," 8 booklets \$1 from National Underwriter.

Saratoga Springs Scene of New York State Gathering

(CONTINUED FROM PAGE 1)

General Electric, told how that company pursues its highly successful system of recruiting men in engineering schools. There is far more to it, he demonstrated, than giving a sales talk to the likeliest looking members of the senior classes of the leading engineering schools. For one thing the company sends its applications to seniors early in their final year. Most of them, not having lined up jobs, fill out the blanks, giving the company useful data in the event it feels a followup is indicated.

In addition the students are kept reminded of General Electric by helpful literature, pictures, lectures on technical subjects. Talks with engineering professors often elicit information about students that they would not put down on paper. General Electric helps keep professors abreast of latest developments, which not only keeps relations cordial but helps maintain the standard of instruction and hence the grade of student the institution turns out.

Public Relations Involved

Part of the problem is to keep the students who are all potential customers, sold on General Electric even though they are not offered jobs.

The rate of starting pay has to be high enough but if too high it leaves less room for advancement. Some companies have gone wild this year as far as starting rate is concerned, he said.

Students and faculty much prefer letting the men chosen know right away whether they are being offered jobs rather than waiting for a period during which the student is upset because of the uncertainty. Once hired, the new man for about a year is put through the different departments like an interne in a big hospital. As far as cost is concerned the men do productive work and it does not cost the company anything. They are paid on an hourly rate, 75 cents this year, while in the shop, going on salary after that.

Competition from U. S.

Right now the Army and Navy are furnishing competition for new men. The Navy Department, he said, offered the entire Tulane University senior class jobs at \$185 a month to act as inspectors of material being produced for the Navy.

A good system is to pick good men from the junior classes and give them jobs during the summer. Not only are they signed up for after graduation, but they are boosters for the company during their senior year among others who might be offered jobs.

Asked by J. E. Bragg, New York manager, Guardian Life, what the General Electric's margin of error in selection is, Mr. Means said it was less than 1 percent but stressed the exhaustive advance appraisal process.

Where G. E. Has Edge

William Nenner, Penn Mutual home office, pointed out that General Electric has a tremendous advantage in that if a man fails as a salesman, for example, he can be put in some other line of work.

General Agent Osborne Bethea, Penn Mutual, New York City, told of an agency that is paying new men \$100 a month, putting them through every phase of work and the experience has been that after six or seven months they begin to sell.

Mr. Means predicted that small companies with defense contracts would shortly wake up to the fact that they needed men and would go to the universities and bid whatever is necessary to get men, even those already signed up with other employers. This would make it more difficult for life companies, too.

L. E. Baldwin, general agent New England Mutual, New York City, wanted to know General Electric's aver-

age cost per man for recruiting. Mr. Means said it had not been reduced to that basis, since different departments handle different phases of the work. R. G. Engelsman, general agent Penn Mutual, New York City and state association president, observed that many general agents fail to view the cost in the



OSBORNE BETHEA
Penn Mutual, New York

light of eventual profit. Mr. Baldwin replied that many general agents have gone broke through not accurately knowing the average cost of inducting new men.

Morale Found Main Factor

Tackling the recruiting problem from a new angle, Manager J. M. Holcombe, Jr., of Life Insurance Sales Research Bureau said the biggest hurdle in recruiting is not the compensation plan or competition from outside sources but scarcity of successful men in the agencies. The new man is too likely to find that the present agents are not taking advantage of the wonderful opportunities they have been told about.

In trying to learn why apparently similar agencies differed widely in results the bureau found it had to study each agency for weeks instead of a few days and that the difference between a successful and an unsuccessful agency turned out to be largely one of morale. Lack of morale means that the agent has an attitude of non-receptiveness and is effectively insulated against what the general agent and the company have to offer, he said, quoting the late Frank H. Davis's remark that it doesn't matter so much what you tell an agent as what he does with it.

Recognition the First Principle

The first principle in building morale is giving recognition, said Mr. Holcombe. The agent craves recognition even though he doesn't indicate it, and morale is affected by the manager's attitude toward the agent more than by any other one thing. The test is, "Can you put the agent's interest first?" Mr. Holcombe said. Frequently this is unbelievably difficult and inconvenient. From his own experience Mr. Holcombe told of a situation which he said he muffed and almost bungled badly, despite all the bureau's researches into morale.

The right attitude makes the agent feel he is a partner in the agency, he said. Another point in building morale is to suggest a new move so subtly that the agent will think he thought of it himself. Let the agent be a part of your cause and he will go to the greatest lengths for you, Mr. Holcombe said.

Mr. Holcombe listed the following ways of using the principle of recogni-

tion in addition to the manager's own attitude:

1. The home office as source of recognition. Agents appreciate letters of congratulation from the home office.

2. The agency staff. After being out on the street the first man the agent sees is the clerk, who treats him as if agents were a necessary evil. Correcting this attitude can mean a great deal for morale.

3. Printed publicity, agency bulletin board, house organ, local newspapers, direct mail and personal letters to the agents' centers of influence.

4. Being friendly—knowing enough about the agent to be really friendly. One of the nightmares of expanded business is the loss of this personal contact.

5. Being kind and human in dealings with the agents.

Men Aid in Recruiting

6. Going to the agent, not calling him in where the mahogany desk and Persian rug are, but going to his desk to talk with him.

7. Save the agent's face when he

makes a fool of himself. He doesn't need it pointed out to him—he probably realized it before you did.

All this has a bearing on recruiting for where there is good morale all the men are an enthusiastic aid to recruiting.

As for difficulties in selling, Mr. Holcombe read a letter from a London life insurance man telling how production goes on in spite of air raids. With such an example any selling difficulties in this country should seem trifling in comparison, he said.

Results of Bureau's Test

Reporting on the results of the bureau's aptitude test Mr. Holcombe said the survival rate for "A" men is about five times that for "E" men. The chances of getting a \$100,000 producer are about 14 times as great with an "A" man as with a "D" or "E" man.

"You can get \$1,000,000 or \$500,000 or \$50,000 from any kind of man you want," he said, "but the chart will tell you how many men you will need—five 'A' men or 25 'E' men. It is no longer a matter of opinion but is factual.

Mr. Nenner corroborated this by the Penn Mutual's experience.

In his preliminary remarks as chairman of the second day's session Man-

The State Life of Indiana

Is a Mutual Legal Reserve Company Founded 1894

Is in its Forty-Seventh Year of Dependable Service

Has Paid \$127,000,000 to Policyholders and Beneficiaries

Holds Assets of over \$53,500,000 for their benefit

Issues Policies from Ages One Day to Sixty-Five Years

Issues Policies on Male and Female Lives at the Same Rates

Issues Policies with Double Indemnity and Disability Benefits

Issues Juvenile, Educational Fund, and Family Income Policies

Issues Salary Continuance and Retirement Income Policies

Issues Many Other Standard and Up-to-date Policy Forms

Offers Agency Opportunities and Training for Those Qualified.

THE STATE LIFE INSURANCE COMPANY Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

ager J. E. Bragg of the Guardian Life of New York, New York City, discussed the effect of war on recruiting. It is idle, he said, to talk about the chance of our getting into the war and more men being called into service than is now contemplated. It is just a guess, for the theory of probabilities applies only where larger numbers are involved.

Mr. Bethea described his agency's system. The first problem, he said, is that recruiting doesn't intrude itself in the general agent's time. Because of this and the competition from war industries the general agent sees fewer good men than before. Other points which he made were: "(1) we must originate more sources of good men; (2) we need a better plan of compensation; (3) I found it necessary to resell myself on my own faith in this business."

Nineteen Men in Next Five Years

Mr. Bethea said he expects to have to recruit 19 men in the next five years. His problem, he said, is to get two or three good men a year, even though he needs many more than that. His aim is



J. E. BRAGG
Guardian Life Manager, New York

to obtain \$500,000 in 1941 from men recruited this year. To get this he must recruit 15 men, estimating that each man will be with the agency an average of six months. To get them he will have to interview at least 300.

"We expect to get seven through our full time agents," he said. "The supervisors will get four and I expect to get four."

He said he expected to get them through personal clients, through company clients and customers and through many contacts which the agency will develop by calls specifically for that purpose.

Names Sales Appeals

"To sell these men the business," he said, "we expect to concentrate on our individual educational system, our orphan policyholder leads, the idea of slow development and a career basis. To qualify the recruit must rate 'A' on the bureau's aptitude test."

"As for compensation we hope to use the commission plan as much as possible, otherwise pay a small salary—\$75 a month—and half his commission. I think that that plan will minimize losses. I am convinced that if we see one man a day we will solve our problem."

Mr. Bethea said the last man he recruited was a young real estate lawyer, a field which is currently stagnant. He is being paid on salary and commission.

Has Full Time Recruiter

A. J. Johannsen, general agent Northwestern Mutual, Brooklyn, said he agreed with Mr. Bethea except he felt the job of recruiting could be delegated. He has appointed one man to

work full time on recruiting. One good preparation for the sales interview is to draw up data showing all the good points about the life insurance business. This he termed a "career book."

A show of hands indicated that the big majority had taken on some new men during the last few months. Mr. Engelsman said that the small number of part timers taken on was very encouraging and practically all were in the rural areas.

Most Use Tests

Only a few said they used no aptitude tests. An equal number said they might give a man a salary or drawing account even if he rated below "B." Vice-president V. B. Coffin, Connecticut Mutual, said his company had found the "C" men on the bureau's index to be just as good and perhaps a little better than the "B" men but that there is a big break between the "C" and "D" men.

General Agent H. H. Wilson, Equitable Society, New York City, urged the value of joint work, saying that his "last man" was an established agent whom he treated like a new man. The man made \$4,000 commission in the last few months, which was more than he had made for a long time previously.

Nearly half said they did some financing, either salary or commission. About 10 said they had taken on men within the last six months with no financing whatever.

Experience in Last War

H. F. Gray, general agent Connecticut Mutual, New York City, described conditions during the last war as they affected recruiting.

"We began to wonder if we hadn't better close up," he said.

"I remember the desperate feeling we had when the government brought out war risk insurance. We thought our business was finished for the next 10 years. We didn't believe it was possible anybody would be in the market for a long time after coming out of the army."

However, the challenge of the obstacle awakened the life insurance business to the fact that it must work to recruit, he said. Recalling the men who came back from the army, Mr. Gray said they had matured, had made contacts that were invaluable and were far better men than if they had stayed in the business. There should be no fear of taking on new men, for they will be better agents when they come back than if it were necessary to recruit them afterward, he said. He was almost the only one present who had been a general agent during the last war and his encouraging words gave new hope to all present.

New Faith Generated

Sam P. Davis, manager Phoenix Mutual, New York City, said Mr. Gray's statement regenerated faith in recruiting new men in spite of the draft. He told of a young man who worked one summer for another company and who realized he was too young but when he went back to college he kept always in mind the objective of becoming a life insurance man with the result that he built up a file of 2,000 excellent leads before he returned to the business.

W. P. Worthington, superintendent of agencies Home Life of New York, said that a lot of money and time is wasted in trying to make the wrong man right.

"We have been doing a lot of talking about selling the man into the business," he said. "Rather, it is a matter of making the business attractive to the right kind of man. We make a mistake to alter our story to sell the men who are not fitted for life insurance selling."

Mr. Engelsman asked for a show of hands, which revealed that 95 percent of those present started in the business at age 25 or younger, indicating that recruiting among younger men is the sound approach.

In other lines, he said, selling is a privilege to be won only after qualify-

Blaze New Trail



R. G. ENGELSMAN

The dynamic leadership of General Agent R. G. Engelsman, of the Penn Mutual, as president of the New York State Life Underwriters Association was a big factor in the novel but highly successful idea of a two-day conference of managers and general agents from all over the state to discuss the single topic of recruiting. More than 100 agency heads and home office agency officials gathered at Saratoga Springs over Washington's birthday week-end for the conference.

ing through work in other departments. More attention should be given to building new men into the business rather than drafting them into it later in life. It should be possible for each company to take on and develop 25 to 50 men a year at the home office, he said.

Men Would Be Nominated

He suggested each general agent should have the privilege of nominating men as men are nominated for the Naval Academy, letting them go through the different departments, just as General Electric and other big corporations do. Some would become actuaries, or go into various non-selling lines but some would work into the job of selling.

"I realize this will not do much toward solving the problem for 1941 but if we are to survive we must look ahead," he said, "and maybe out of meetings like this some real progress may be forthcoming."

Describes Metropolitan Plan

George Crongeyer, New York district sales training supervisor Metropolitan Life, said that there seems to be an impression that the Metropolitan's recruiting problem is largely eliminated because so many seek employment. While many do apply, recruiting must depend on the manager's seeking out desirable men, he said, for just taking those who applied would rapidly reduce the grade of new men.

In 1932 the Metropolitan retained the Psychological Corporation to aid in measuring the chances of success of new men, though the company had already built up quite a body of facts as a basis. Metropolitan managers do not hire or discharge agents, he explained. In recruiting they act as fact-finders, the final decision being with the home office. Metropolitan's test has three parts: a form designed to elicit quickly a large amount of pertinent information; a series of tests designed to show aptitude; and tests on the type of computations which will be used by the man in his work in the field.

An important point in the first section or "acquaintance form" is whether he has done any inside or outside sell-

ing. When the man comes back for the second part he answers a series of organized questions, designed to put him at his ease and yet enable the manager to dig for some hidden strength or weakness hinted at in the first section.

After the interview the manager makes out a summary, recording his impressions in the way of aggressiveness, poise, appearance and the like. The manager then gives an over-all rating. The man is asked to come back for a third interview and given the personal test.

Lean on Personnel Test

There is, said Mr. Crongeyer, a tendency for managers to lean too heavily on the personnel test and it is a mistake to take on a man with a good personnel test rating if he doesn't stack up in the acquaintance form and the interview nor should a poor personnel test grade damn a man who is good in other sections. The tendency of managers to rely too heavily on the personnel grade is not too serious, he said, for the data is all subject to home office review, anyway.

Some general agents have expressed amazement that the company can get new men to deposit \$250 in cash on being hired but it is not surprising when it is remembered that the agent has an assured prospect of a steady income. The cash deposit makes for more reliable type of men, the company has found. The deposit is automatically returned after 10 years with the company and in the meantime the agent receives interest on it. Of course it is returned if he leaves or is discharged. After the new man has been selected he goes to a regional training school, then is introduced to the debit. The latter is a more thorough and detailed process than might be supposed, he said.

Where Problem Is Unique

While the Metropolitan wants new business the first attack on the problem is to work with existing agents to improve them and keep "finals" at a minimum. New men are taken on only when there is an opening on a debit. The Metropolitan's recruiting problem differs from a purely ordinary company's, he pointed out, as the company must have a definite number of men to conduct its business.

The average Metropolitan agent's earnings are \$52 a week and there are also retirement and other benefits. Mr. Crongeyer said, in answer to a question.

Colleges Still Dubious

Grant L. Hill, director of agencies Northwestern Mutual Life, and chairman of the Life Agency Officers Association's committee on relations with colleges and universities, said that because of many details yet to be worked out the committee is not yet ready to release anything beyond reporting progress. It is unfortunate but true that the majority of college placement officials and professors are dubious about advising majoring in life insurance, he said, listing the following points:

They are not impressed with the permanency of life insurance selling as a career because of the turnover rate. Parents feel life insurance selling needs no college education.

College placement officials and professors feel that those who recruit pay little attention to the amount of preparation for life insurance work a student has had. They feel there are no definite routes leading to a permanent career in life insurance selling, as in law and medicine. Teachers are doubtful about their ability to prepare students beyond the academic knowledge needed in life insurance selling.

General agents are prone to demand quick production.

It is easy to get an agent's contract, in sharp contrast to the policy of big corporations in taking on new men.

Drawing accounts are unsatisfactory. The professors hear about the disillusioning experiences of life insurance recruits and too frequently it seems as

for the
es of or-
put him
manager
length or
section.
manager
ding his
gressive-
the like.
r-all rat-
back for
person-

reyer, a
can too
d it is a
a good
t stack
and the
ersonnel
good in
of man-
he per-
d it is a
ome of-

pressed
can get
on be-
when
has an
income
re reli-
ity has
ally re-
company
ceives
turned
er the
is in-
er is a
process

s new
problem,
to im-
mini-
only
debit.
problem
com-
pany
men

gent's
e are
Mr.
stion.

encies
chair-
Asso-
with
t be-
y to
rting
true
ment
ious
sur-
wing

per-
as a
rate.
eds
pro-
pay
pa-
ent
nite
eer
and
out
nd
life

et. big
ry.
lu-
re-
as

if they are retained just long enough to tap their friends and relatives.

"Before we are through we hope to have a definite, concrete plan," said Mr. Hill. "We hope that in the latter part of the students' sophomore year to present to them a plan under which, if they will specialize in life insurance and meet certain qualifications they will be given a salary for six months, preferably a year. Some companies are already doing this, but on a small scale."

The committee is going to undertake a survey to show how many college men go into life insurance organization at graduation or soon after. Mr. Hill predicted the number would be surprisingly large. Indications are that though these men start slower, averaging \$125,000 in their fifth year, in the Northwestern Mutual's experience, from the fifth year on they grow rapidly.

Why New Men Are Needed

About 40 percent of business five years hence will come from men not in the business, Mr. Hill said. He told of two young men who went in to develop De Kalb County, Ill., for his company. They brought production from \$82,700 in 1932 to \$1,531,377 in 1938, made up of \$1,091,643 from new organization, \$368,084 from the one district agent, the other having been transferred, and \$171,650 from the agents already under contract in 1932.

Recruiting is always difficult, he said, so there is no reason to feel that one time is much worse than another. If agents are easy to get it is because times are difficult and hence it is hard to get them into production. On the other hand, if times are like the present it is hard to get men but it would be easy to get them into production if they could be obtained.

Vincent Coffin Sums Up

Summing up the entire conference, Mr. Coffin quoted an observation by General Agent J. M. Fraser, Connecticut Mutual, New York City, that it would not have been possible 10 years or so ago to elevate so much emphasis to the long range viewpoint.

Mr. Coffin said three things, appealed to him for immediate action: (1) to go home and work enthusiastically on the morale factor which Mr. Holcombe mentioned, for while it has nothing to do with recruiting directly it has everything to do with it indirectly; (2) that the recruiting problem can't be licked without trying, hence a definite amount of time and effort must be assigned to it so it will not be overlooked in the press of more urgent matters; (3) to go home feeling, as Mr. Hill said, that once the new men are obtained it will be easier to get them into production.

"I received from this conference a renewal of faith," he declared. "I rather think that you have, too."

Burges Johnson, professor of English, gave a humorous address at the luncheon which concluded the conference.

E. R. Gettings, general agent Northwestern Mutual, was in charge of arrangements. While the conference was the first state-wide managerial conference and the idea of devoting two days to the single topic of recruiting was a decided novelty the comment after the meeting was all highly favorable. Most of those attending from New York City rode in a special car and there was another car for those coming from the western part of the state.

Managers Parley in Wichita to Treat Morale, Motivation

(CONTINUED FROM PAGE 1)

Penn Mutual, Seattle, and trustee of N. A. L. U., "The Steps in the Sale."

John A. Witherspoon, general agent John Hancock Mutual, Nashville, National association vice-president, "What Makes Them Buy?"

The luncheon speaker will be Holgar J. Johnson, president Institute of Life Insurance. His talk will be broadcast

How Canadian Exchange Control Affects Insurers

TORONTO—Addressing the meeting of the Life Insurance Institute of Canada J. A. Tuck, legal assistant to the Canadian Life Insurance Officers Association, outlined the application to life companies of the Canadian Foreign Exchange Control Board, which coordinates Canada's resources for the prosecution of the war.

Mr. Tuck discussed the effect of the control on operations of Canadian companies in Canada and abroad; operations of Canadian branches of British and U. S. companies; payment of Canadian dollar obligations to non-residents of Canada. All payments in connection with Canadian currency contracts held by residents of Canada may be made in the normal manner.

In connection with foreign currency contracts on the lives of residents of Canada, receipts and disbursements should be made in the Canadian equivalent of the amount of foreign currency. An exception is made as to United States nationals and others who maintain exempted foreign currency bank accounts with the board's approval. New foreign currency policies shall not be issued to Canadian residents.

Security Transactions

Security transactions in Canada are generally permitted without obtaining the board's prior approval. Under some few circumstances such as transactions in Canada involving other-than-Canadian securities the board's approval is required if there is a change in the currency of a security or its country of issue.

The board permits companies to change the currency of foreign currency contracts held by residents of Canada to Canadian currency if the company and its policyholders so desire.

The foreign exchange acquisition order of 1940 requiring all Canadian residents to turn over to the board their foreign currency balances specifically exempts the foreign currency accounts maintained by Canadian life companies in connection with their business abroad.

The board has taken cognizance of the position of the business outside Canada of Canadian life companies. On Sept. 23, 1939, it ruled that "Any life company authorized in any part of Canada and also authorized in any country or countries outside Canada is authorized to continue to conduct its business in accordance with its normal procedure."

Carry on in Normal Manner

This regulation permits Canadian companies to continue to carry on their business outside Canada in a normal manner.

Customs officials and post offices are given authority by the board to inspect all mails leaving Canada. However, the board permits life companies to endorse on mail going out of Canada the notation "authorized for export on behalf of the Canadian Foreign Exchange Control Board."

The board has ruled that the Canadian branches of U. S. and British companies are residents of Canada for foreign exchange control purposes and thus transactions between the branches and their policyholders may be carried on in the

normal way. Most of the rules for Canadian life companies in Canada also apply to the Canadian branches of British and U. S. companies.

The board regards all securities deposited with Canadian branches of British and U. S. companies with the receiver-general as property of a resident of Canada. Canadian investments other than those pertaining to the Canadian branches of such companies are held to be investments of a non-resident and the company is entitled to receive foreign exchange at the board's official rate for all income (whether expressed by the contract to be payable in foreign exchange or not).

Canadian Dollar Obligations

Under the head, "Payment of Canadian dollar obligations to non-residents of Canada," Mr. Tuck gave this outline:

Payment to non-resident payees under Canadian dollar contracts issued prior to Sept. 15, 1939, which have been continuously owned or controlled by non-residents since that date may be made either by FECB check or by a check on the company's foreign currency bank account.

Payments to non-resident payees under contracts owned or controlled by a person resident in Canada on Sept. 15, 1939, or at a later date, and payments under Canadian currency contracts issued to non-residents since that date, must be made by check marked "payable in Canadian funds only." This indicates payment is an authorized transfer of Canadian dollars to a non-resident.

Payments to a person who is temporarily or permanently outside Canada who is a resident of Canada for foreign

U. S. Life Appoints Brady A. & H. Assistant Manager

Daniel J. Brady has been appointed assistant manager of the accident and health department of United States Life, effective March 1. He goes to that company with 18 years experience in all phases of accident and health, underwriting, claims, and agency development. Following five years with London Guarantee, Mr. Brady was with the Sun Indemnity for 13 years. He has worked closely with life agents in adapting accident and health coverages sold in conjunction with life.

Builds Agency Force for Expansion

United States Life has made numerous additions to its agency force during its first year of operations in the accident and health field and the company considers Mr. Brady's appointment a progressive move in line with its program of expansion for 1941. Agency appointments have been made in Connecticut, District of Columbia, Illinois, New Jersey and New York.

exchange control purposes must be made to an address in Canada, or preferably to a Canadian bank account.

Payments to a life company from a non-resident in connection with a Canadian currency contract may be accepted in Canadian dollars or an equivalent foreign exchange. If foreign exchange is accepted it must be sold to the board.

It is an indication of the esteem in which the life insurance business is held that the companies have been permitted the freedom granted by this arrangement, Mr. Tuck said.



AS FAITHFUL AS "OLD FAITHFUL"

Get Out Your Yardstick

All life insurance companies are not alike. You can prove it right from annual statements.

How many companies can show a mortality rate that constantly hovers near or below 40% of expected? How many can show consistent earnings of 4% on total assets during the past four years? How many can show a surplus that holds steadily above 7% of net assets? How many can illustrate a net cost of \$3.21 per thousand on a 20-year basis at age 35?

How many recorded a 14.9% gain in new paid-for production during 1940?

Combine such performance with the modern policies that meet modern needs . . . and you will understand why Mutual Trust can say "There is nothing better in life insurance."

MUTUAL TRUST LIFE INSURANCE COMPANY

135 S. LaSalle St.
CHICAGO

One of 24 purely mutual, net level premium, 3% reserve companies in the United States.

EDITORIAL COMMENT

The TNEC's "Small Fraction"

EXECUTIVE Secretary Dewey Anderson of the TNEC in his "progress report" some weeks ago made the observation that while the exact information was not obtainable from company records it appeared from the best available evidence that a "small fraction of the total number of policyholders owns 80 percent of the total of life insurance in force." So far no one in the life insurance business has publicly challenged this figure, very likely because without definite figures it would be just a case of "You're another."

Yet it seems important, even if an accurate refutation can't be given, to question the basis of Mr. Anderson's amazing statistic. At last week's conference of the New York State Life Underwriters Association Prof. Burges Johnson of Union College said a statistician could prove that if a fox-terrier 2½ feet long and with a tail three inches long can dig a hole seven feet deep in an hour it would be possible to dig the Panama Canal in one year by having a fox-terrier eight miles long and having a tail 90 feet long. Common sense seems to reject Mr. Anderson's figure almost as quickly as it does the eight-mile fox terrier.

Of course, we must not reject the possibility that Mr. Anderson, irked at not being able to get the figure he sought in the companies' records, was merely pulling a statistic out of the air and deliberately exaggerating it so grossly that the life insurance business would be so outraged that it would turn to and dig up the figure he wanted. On the other hand if there were no such reaction he would be in a position to contend that his figure was probably not far from right, since it evoked no protest.

As this is being written this week's TNEC hearings on life insurance are still ahead, so perhaps Mr. Anderson will have something more to offer, though it seems doubtful, for his earlier statement indicated that the statistical basis for the figure he seeks does not exist.

Rather than let his statement go by default it seems worth while to see if it seems any more sensible when viewed in the light of some other figures that have a firm factual basis or are at least pretty well accepted. First of all Mr. Anderson's use of the term "small fraction" is suspicious. If any other witness before the TNEC had used such a vague term he would have quickly been asked to be more definite. A fraction that might seem small to Mr. Anderson might seem anywhere from infinitesimal

up to pretty good sized to another person. Does he mean 5 percent? Does he mean 10, 15, 20, or 25 percent? Also 10 percent off the end of your nose or off your salary seems like quite a lot. Subtracted from somebody else's nose or salary it might not seem so large.

If Mr. Anderson is talking about something in the range of 10 percent here are some of the implications of his statement: taking the total number of policyholders in the United States as 65,000,000 and the total of insurance in force as \$130,000,000,000 so as to keep the mathematics simple, we have an average policyholder of \$2,000. If 10 percent is the "small fraction," then 6,500,000 policyholders have 80 percent of \$130,000,000,000 or \$104,000,000,000, or an average per policyholder of \$16,000. Likewise it means that the remaining 58,500,000 policyholders own \$26,000,000,000 of insurance, an average per policyholder of just under \$445.

Offhand, does it seem reasonable that 6,500,000 policyholders have an average of \$16,000 of life insurance each? True, this group includes some wealthy individuals with several hundred times this average. But they are few and \$16,000 seems like a lot of life insurance for an average of 6,500,000 persons. Again, it seems unlikely that 58,500,000 policyholders own an average of only \$400 each. Perhaps there is sufficient latitude in ideas of what constitutes a "small fraction" so that a percentage could be found which would still meet the definition and yet not produce such a patently absurd result. It's easy enough to do. Just pick your fraction and do a little simple arithmetic.

At the same time it would not be surprising if a minority of policyholders do own a considerable majority of the total insurance in force, though not to the extremes indicated by Mr. Anderson. Within limits, ownership of insurance would probably be found to parallel the individual or family level of income and there are many more persons in the low and moderate levels of income than in the more prosperous brackets. The life insurance business can hardly be blamed for that.

Another thing that would tend to push the statistics in the direction of Mr. Anderson's figure is that the total number of policyholders includes not only the vast number of industrial policyholders but this group is given further prominence in the figures by the number of children and wives insured, usually for small average amounts.

Many of the children's policies, for example, are endowments, primarily bought as savings, and probably for around \$250 face amount. By the time Mr. Anderson's statistic is whittled down to common-sense proportions and

the factors behind it borne in mind it would probably be found to have as little real basis for criticism as most of the other supposedly unfavorable material brought out on insurance before the TNEC.

Are People Carrying Too Great a Load?

CLARIS ADAMS, president Ohio State Life, in an address at the Philadelphia sales congress decried the criticism often heard and emphasized in the TNEC investigation that the agency system loads policyholders with too large an amount of insurance, which induces lapses and consequent waste. It is said now and then that high pressure selling is the cause of many lapses.

Mr. Adams declared that no reliable company at any time countenances the type of selling that is sure to lead to

lapse. Perhaps at times agents may press too hard and companies may press the agents too hard. However, home offices realize that over insurance too frequently leads to a death claim.

It behooves all companies to study the causes of lapses and endeavor to prevent them as far as possible. We doubt whether overloading could be called a major cause. An agent who is conscientious will not deliberately recommend more insurance than the traffic will bear.

PERSONAL SIDE OF THE BUSINESS

Peter L. Cannon, in charge of the Rhode Island insurance division 1937-1939, has been appointed adjutant general of Rhode Island.

H. M. Faser, Sr., superintendent of agencies Lamar Life, spoke on "Opportunities for Young Men in the Business of Life Insurance" before students of the school of business administration, Mississippi State College. He was introduced by P. K. Lutken, president of the Lamar Life and a Mississippi State alumnus.

W. S. Rodgers, associate ordinary manager of Prudential for Florida, has been made general chairman of the Tampa Community Chest.

S. Morris Thompson, former general agent of the Lincoln National Life in Pittsburgh and more recently district manager of the Edward A. Woods Co. agency of Equitable Society, has been appointed executive assistant to the president of Bethany College, Bethany, W. Va. He attended the college 1914-1916, later was at Penn State and after war service received his degree at the University of Southern California.

E. O. Burget, president of People's Life of Frankfort, Ind., and Mrs. Burget, are enjoying a Florida vacation.

John S. Kerns, Northwestern Mutual, national committeeman of the Pittsburgh (Kan.) Life Underwriters Association, has been named program chairman of the district conference of Rotary International to be held in Pittsburgh April 27-28.

O. F. Wright, Northwestern Mutual, former president of the Hutchinson, Kan., Life Underwriters Association, who has been confined to his home for some months with serious illness, is somewhat improved but still confined.

G. Y. Browne has been appointed district manager of the Mutual Life of New York in Augusta, Ga.

Perry Uncapher, Bankers Life of Iowa, Knox, Ind., who turned in 91 applications for \$201,000 in the year ended Feb. 1, sold almost 90 percent of it to near relatives of his policyholders. His

91 applicants represented only 58 families. He wrote from two to seven members of those 58 families, for \$117,000. In 22 other cases totaling \$66,000, he had previously sold from one to six Bankers Life policies to persons related by blood or marriage to those 22 applicants. Only 11 of the 91 applications were written on persons who had no relative insured in the company. He has insured 27 families 100 percent in the past year.

J. Thomas Gurney, director and associate counsel for Bankers National Life, spoke at the luncheon of the Jersey City Kiwanis Club.

DEATHS

Paul H. Haltiwanger, 92, for many years president of the Carolina Life of Columbia, died there. In 1902 he purchased an interest in the old Carolina Casualty & Insurance of Columbia. Later he reorganized it as the Carolina Life and was its president for many years. He was one of the few remaining Confederate veterans in that section.

Roy Benson, 41, Cedar Rapids, Ia., field representative in the farm loan department of Metropolitan Life, was killed in an automobile accident near Burlington.

R. J. McVeigh, 62, for 14 years St. Paul manager of the Metropolitan Life until he retired in 1928 due to disability, died there. He had been with the company 43 years.

J. M. Cardoza, special supervisor weekly premium department, Life of Virginia, died in Shreveport, La., after an emergency operation. He had been in the company's field service since 1919, having served as assistant manager and manager in the Newport News and Norfolk, Va., districts.

Russell L. Sowash, 44, assistant superintendent Prudential, Bucyrus, O., died there, leaving his wife and two children.

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer. Associate Managers: W. A. Scanlon, G. C. Roeding, O. E. Schwartz.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

ATLANTA, GA., OFFICE—560 Trust Company of Georgia Bldg., Tel. Walnut 5867. W. M. Christensen, Resident Manager.

BOSTON OFFICE—Room 522, 25 Huntington Ave., Telephone KENmore 5237. R. E. Richman, Vice-President.

CANADIAN BRANCH—Toronto, Ont., 86 Adelaide St., East, Tel. Waverley 7988. W. H. Cannon, Manager.

DALLAS OFFICE—311 Wilson Bldg., Tel. 2-4955. Fred B. Humphrey, Resident Manager.

DES MOINES OFFICE—2825 Grand Ave., Tel. 4-2498. R. J. Chapman, Resident Manager.

DETROIT OFFICE—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS OFFICE—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$3.00 a year (Canada \$4.00). Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



NEWS OF THE COMPANIES

Shenandoah Life Observes Its 25th

ROANOKE, VA.—The Shenandoah Life held a dinner celebrating its 25th anniversary at which several hundred people were present including prominent insurance and business men as well as officials, branch managers and home office employees. President Paul C. Buford introduced the guests and awarded service emblems. C. D. Johnston, president Roanoke Public Warehouse and vice-president U. S. Chamber of Commerce, spoke.

Comparisons Are Shown

Since its organization in 1916 the Shenandoah Life has increased its assets from \$429,373 to \$9,828,591 at the end of 1940. Insurance in force has increased from \$1,504,904 to \$78,380,368. Last year \$2,013,845 was paid to policyholders making the total since organization \$20,854,536.

When the Shenandoah Life was organized it occupied two rooms and had only one employee. In 1922 it purchased its present seven story home office building of which it now occupies three floors. The home office personnel has been increased until today there are 122 full time officers and employees. Shenandoah Life has 18 branch offices and over 500 agents.

Under the mutualization plan adopted in 1934 the Shenandoah Life is gradually changing from a stock to mutual company. In 1940, the trustees under the plan owned slightly in excess of 75 percent of outstanding capital stock.

Mid-Continent Life Boosts Its Capital to \$1,000,000

OKLAHOMA CITY—Inspired by the need of long-term financing from private sources as a means of promoting industrial development in Oklahoma, the Mid-Continent Life has announced a program of expansion that involves an increase in capital from \$100,000 to \$1,000,000, according to R. T. Stuart, president. Commitments have been made for the additional stock and none will be offered for sale to the public.

Six state business leaders who are actively interested in the promotion of manufacturing and industries generally throughout the state have been elected directors. They are R. L. Crutcher, McAlester, banker and president Oklahoma Development Council; T. T. Eason, Enid, oil man; A. D. Cochran, Okmulgee, attorney and oil man; Dr. H. G. Bennett, president Oklahoma A. & M. College, Stillwater; Tom Cooper, Oklahoma City and Ardmore, president Oklahoma Transportation Company, and R. A. Heffner, Oklahoma City mayor and owner of large property interests. A committee of directors will be appointed to study local manufacturing and industrial proposals as they are submitted, in all sections of Oklahoma.

Mr. Stuart announced that the company had \$687,792 in cash assets for immediate lending prior to the increase of capital. Current total assets were given as \$7,037,781.

The expansion was inspired when President Stuart, who is also president of the State Chamber of Commerce, with a group of 108 other leading business men made a tour of investigation through several southern states for the purpose of ascertaining the reason for Oklahoma's retarded industrial development. They found it was largely due to lack of local investors interested in this development who would be satisfied with a relatively small return on their money for a long time.

The Mid-Continent Life will amend its charter to permit of more liberal investment in Oklahoma securities and plans to increase the number of directors to 18 or 24, representing every com-

munity and type of business in the state, in order to give the company the best possible advice and aid.

Act to Remove Mutualization Bar

LINCOLN, NEB.—The Bankers Life of Nebraska has asked the district court for a declaratory judgment approving the resolution passed at the annual meeting of the stockholders adopting a plan for the mutualization and for validation of the trust agreement which is a part of the plan. The suit is brought against Mary H. Wilkins, a policyholder, who holds that the action of the stockholders is void under the plan adopted and that it is not capable of enforcement. Later another policyholder intervened to raise similar objections, claiming the directors were without power to buy the stock at the stated price.

The company asserts that the plan is valid and that both the resolution and the trust agreement are enforceable.

United May Boost Capital

President O. T. Hogan of United of Chicago, in a message to stockholders, states that he intends to recommend to the directors at their meeting in April that a stock or a cash dividend or possibly both be considered. Premium income last year amounted to \$1,236,430 and he estimates that the income for this year will amount to \$1,500,000. Assets are \$830,666, capital \$200,000 and net surplus \$137,372, which is the highest figure in the past 10 years.

New Beneficial Life Director

Stockholders of Beneficial Life of Salt Lake City have elected Dr. J. A. Widtsoe, an apostle of the Mormon church and former president of Utah University, a director to succeed Reed Smoot, former U. S. senator from Utah.

Cole Heads Home Beneficial

J. R. Cole has been elected president of the Home Beneficial of Richmond, succeeding M. D. Nunnally, who died recently. He has been senior vice-president. He is the sole survivor of a group of four men who organized the company in 1899.

Confer on Central States

ST. LOUIS—Robert A. Adams, general counsel American United Life, and Frank J. Haight, consulting actuary, have been here looking into the affairs of the Central States Life, now in the hands of the Missouri department, apparently as the preliminary step for the American United Life offering a reinsurance bid.

They conferred with Superintendent Lucas here prior to his departure for Tyler, Tex., to resist a suit attacking the Missouri department's plans for the rehabilitation of Central States Life and seeking appointment of a Texas ancillary receiver. A similar suit by an Oklahoma policyholder was recently decided in favor of the Missouri department by a federal court at Tulsa, Okla.

Carleton Loeble Is Advanced

Carleton C. Loeble, who is secretary of the Life Advertisers Association, has been elected assistant to the president of the Presbyterian Ministers Fund, Philadelphia.

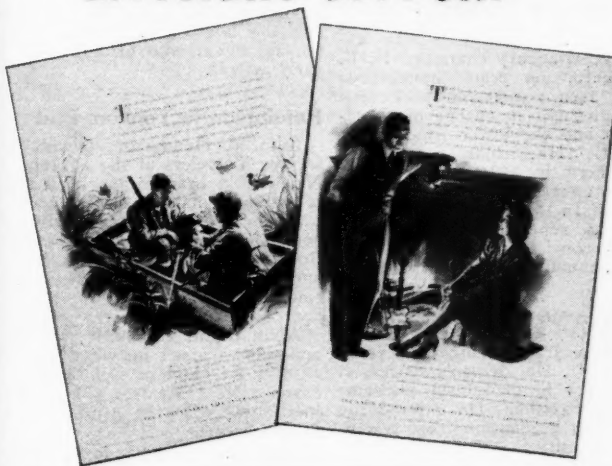
Presbyterian Ministers Fund depends on direct mail for most of its business, and Mr. Loeble has achieved a remark-

OPPORTUNITY:

Live, progressive Catholic life insurance organization has good territory open in Wisconsin and Minnesota for men with proven production record, who are willing to work on a full-time basis. Only men with sales experience, good personality and approach need apply. All replies will be held strictly confidential. Address inquiries to Box M-66, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

The UNION CENTRAL BULLETIN BOARD

**MONTH-AFTER-MONTH, IN
1941, POWERFUL FULL-PAGE
ADVERTISING LIKE
THIS WILL CONTINUE
TO GIVE UNION CENTRAL
SALESMEN ITS
EFFICIENT SUPPORT***



MULTIPLE PROTECTION FEATURED IN FEBRUARY, MARCH!

APPEARING IN



*** OUT OF EVERY 20 LIFE INSURANCE
COMPANIES, ONLY ONE GIVES ITS
SALES FORCE THIS VITAL HELP!**

ably high percentage of response from prospects. The Fund's insurance is issued only to clergymen of Protestant denominations, their wives, and students for the ministry.

Mr. Loeb is a graduate of the University of Pennsylvania, has had broad experience in newspaper work and sales promotion. He has been with Nashville and Philadelphia newspapers and with the Associated Press. Part of his background was in the sales promotion organization of General Motors, and once he headed his own company for automobile sales. He went to the Presbyterian Ministers Fund in 1936, as special representative, sales department.

Under his chairmanship the Keystone Group of the L. A. A. attracted wide attention because of its "workshop" system of studying the mechanics of life insurance literature, advertising, and sales promotion.

NEWS BRIEFS

Directors of National Reserve Life have voted a dividend of 6 percent, or 60 cents per share, to be paid March 3 to stockholders of record Feb. 21.

The St. Louis Mutual Life at its annual meeting elected A. H. L. Kuhn a director to succeed D. N. Curtis.

The North American Life of Chicago has been licensed in Nebraska.

AGENCY CHANGES

Great Southern Life Shifts Texas Agency Leaders

The Great Southern Life has announced several agency changes. H. B. Hackleman, for six years manager at Waco, has been transferred to Corpus Christi as manager in charge of southwest Texas and the lower Rio Grande Valley. Mr. Hackleman joined the Great Southern in 1924 in Oklahoma and led the agency there in new business in 1925. In 1927 he was transferred to Dallas as supervisor. The Waco agency has consistently paid for over \$2,000,000 annually under his management.

Sharp Goes to Waco

T. C. Sharp, Jr., is being transferred to Waco as Mr. Hackleman's successor. For two years he has been assistant manager at Houston. He entered life insurance upon graduation from Southwestern University in 1931. Four years later he was made manager of the coast district. In 1937 he was appointed home office agency assistant, later being assigned to the Houston city agency.

H. M. Brook has been appointed agency organizer of the Houston city agency. He started in the accounting department in 1929, after graduating from the University of Texas. In 1938 he was advanced to assistant agency cashier. That year he was elected president of the Houston Junior Chamber of Commerce and was further honored by being named Houston's outstanding young man. In 1939 he entered personal

production and in his first year paid for in excess of \$400,000 new business.

General American Names Two

E. E. Dale has become agency supervisor in Texas for the General American Life, with headquarters in the Dallas National Bank building, Dallas, Tex.

He has been in life insurance since 1930 and at one time was assistant to J. T. Lynn, vice-president in charge of agencies, who was then the manager of the Oklahoma City office of the Missouri State Life. He is a former president of the Oklahoma City Managers & General Agents Club and was vice-president of the Life Underwriters Association there.

General American has appointed W. F. Heldstab general agent in Grand Rapids, Mich. He has been manager there of Michigan Life.

J. C. Elliott Makes Change

John C. Elliott, for many years general agent of the Penn Mutual Life in Newark, has become president of Elliott & Friedrichs, general insurance agency at Westfield, N. J.

J. C. Elliott has served as president of the Life Insurance General Agents & Managers Association of Northern New Jersey and was chairman of the convention of the New Jersey State Association of Life Underwriters last June at Asbury Park.

Mercer to Farmers & Bankers

Frank J. Mercer, for some years district manager at Salina, Kan., for the Bankers Life of Iowa, has been named general agent at Hutchinson by the Farmers & Bankers of Wichita, succeeding the late C. C. Alexander, veteran general agent who died recently in the early winter.

Henderson to Yonkers Post

John T. Henderson, agency instructor for Travelers at the 55 John Street, New York, branch, has been promoted to associate manager at Yonkers, N. Y.

Stephen T. Hanscom of Boston has been appointed group field assistant at Boston. Mr. Hanscom has been manager of a branch office for a national finance company.

Alvin Light, Hobbs, N. M., has been appointed district manager for Security Life & Accident of Colorado in southeastern New Mexico. Mr. Light formerly was with the American National in that area.

Earle V. Parker has been advanced by H. O. Seale, Jr., state manager Northern Life, from field assistant to assistant manager at Fresno (Cal.) agency.

Alberta May Enter Life Field

Legislation enabling the Alberta provincial government in Canada to extend its insurance activities to include life insurance is expected to be introduced in the current session of the Alberta legislature. At present the government is in the fire insurance business.

Court Bars Compound Interest

SEATTLE—Superior Judge Douglas has held that compound interest cannot be charged on life insurance policy loans in Washington. The case is being appealed to the state supreme court. In making the decision, Judge Douglas awarded A. A. Tremper, Bellevue, Wash., a \$51.63 judgment against the Northwestern Mutual Life, representing the difference between simple and compound interest on a policy loan.

Home office officials of the Northwestern Mutual testified at the trial. The case tested the validity of a 1939 act passed by the Washington legislature which legalized charging compound interest on policy loans. Judge Douglas held that the measure is "unconstitutional and void" in that it would "impair the obligations of contracts."

LIFE SALES MEETINGS

Connecticut General Leaders Confer

PALM BEACH, FLA.—The President's Club, leading producers' organization of the Connecticut General Life, held a four-day conference here. There are 53 who qualified for the club this year; 18 of whom have qualified every year since its organization four years ago.

F. Hobert Haviland, agency vice-president, installed 1941-1942 officers: R. S. McClure, Jr., Philadelphia, president; P. T. Aubin, Chicago, vice-president; and F. H. Fuhrman, Philadelphia; Jules Nassberg, New York City, and H. T. Bass, Hartford, executive committee.

President Frazar B. Wilde spoke. Mr. McClure was chairman of the business meetings. Talks were given by R. B. Greene, Hartford, on "The Connecticut General Sales Plan from the Viewpoint of a New Man;" W. F. Cost, Pittsburgh, "What the Study and Application of Our Sales Plan Has Done for Me;" C. B. Phillips, Buffalo, "Sell-

ing the Programmed Estate;" E. F. Wightman, Chicago, "Why I Keep Records of My Working Time and Analyze Them;" W. A. Young, Newark, "Prospects and Their Relation to Income;" and Lewis Garman, Philadelphia on "The Goal I Keep Before Me."

Mr. Haviland talked on "Our Obligation as President's Club Members;" B. M. Anderson, counsel, "Taxation, Settlements and Other Legal Problems," and Dr. A. J. Robinson, medical director, on "How to Present Your Case to the Home Office."

United States Life General Agents Meet at Home Office

Thirty-two general agents of the United States Life were brought together at the home office in New York for a three-day round table conference. Richard Rhodebeck, superintendent of agencies, who presided, arranged an informal program to bring into open discussion the company's contracts and present promotional material.

One of the contracts discussed was a special plan of monthly reducing term



"Nation's Industry in High Gear"

Yes, that was a recent bold face newspaper headline. What does it mean? Bigger payrolls and stepped-up production for one thing. More men with more money to invest wisely for the security of their families and their future, for another. These added workers and the firms that employ them are ideal prospects for Minnesota Mutual's increasingly popular Pay-Roll Deduction Plan. Complete family insurance to meet individual employee requirements can be purchased this way. Premiums are met through small monthly payroll deductions . . . and at practically no expense to the employer. Now in use by over 500 firms.

Our Field Force enjoys these ADDITIONAL advantages:

1. A liberal agency contract
2. A plan for financing your agency
3. Accounting methods to guide you
4. Proven plans for finding—training agents
5. A liberal financing plan for your agents
6. A unique supervisory system
7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile—Women—Group—Payroll-Savings, etc.
10. Low monthly premiums

A \$240,000,000 Mutual Company, 61 years old with an understanding, cooperative Home Office

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

General Agency Opportunity in Minneapolis

One of the New York standard companies is making a change in a long established agency in Minneapolis. A considerable volume of good business in force. Substantial collection fees. This agency has done well in the past and is a real opportunity for the right man. He must be a producer of proven ability, with qualifications for management. State full history and insurance record. Box M-85. The National Underwriter.

insurance, designed to cover mortgages and various types of systematic savings programs. Another was an illustrated presentation of a plan of life insurance called the "tithe plan" which enables benevolent institutions to amortize mortgages and to create legacies. An open forum was devoted to a "case clinic," in which general agents and the underwriting department reviewed actual life cases presented.

The session was concluded with a full morning of discussion of the company's accident, health and hospitalization portfolio. The group was entertained at a series of luncheons, dinners and a theater party.

Dr. J. Albert Avrack, medical director and vice-president in charge of accident and health, presented a special showing of technicolor movies he had filmed on a recent inspection tour to the Hawaiian Islands and the Far East.

Record-Breaking Occidental Parley

NEW ORLEANS—The Occidental Life of California staged its largest agency convention here, with delegates coming from such far-flung points as Shanghai, Honolulu and Montreal to participate in the Occidental's Los Conquistadores Club's gathering.

Vice-president V. H. Jenkins announced that more than 300 attended, including fieldmen, wives and guests.

The meeting convened with the officers' reception, and the final meeting was on the eve of New Orleans' Mardi-Gras, which many of the delegates attended.

A large number of the delegates journeying to New Orleans by special train from Los Angeles were feted in southern style at Lafayette, La., just after entering Louisiana. Led by Galen B. Black, Lafayette general agent, and Mrs. Black, members of the city garden club met the train and presented each passenger with a corsage and a colorful Hawaiian lei.

Jenkins Opens Convention

Mr. Jenkins opened the convention with a resounding challenge, pointing to the opportunities in present-day markets for life insurance.

Dwight L. Clarke, executive vice-president, discussed "Weather Signals," which are marking present-day trends in life insurance. He reviewed figures from Occidental's balance sheet and operating summaries for 1940.

Raymond H. Belknap, director of agencies, closed the convention with his talk, "More," a review of selling features. He discussed the sales records of individual agents and stressed the fundamental reasons for their successes.

In addition to honors for members of Occidental's two top production clubs, the Leading Producers and Los Conquistadores, the new "Plus" Club was recognized, consisting of agents who had, before leaving their territories in early February for New Orleans, equaled their sales total for January and February of last year. Approximately 40 percent of the delegates won such recognition.

National Life of Vermont Starts Regional Series

MONTPELIER, VT.—The National Life held the first of a series of regional meetings here this week for general agents. Four days of intensive work included conferences on all phases of a general agent's business, including attitude, financial management, sales management, retraining, prospecting, sales presentation, recruiting, selection, morale, motivation, and several other topics.

Discussions were led by Edward D. Field, vice-president; D. Bobb Slattery, assistant to the vice-president; Ward Phelps, Sales Research Bureau; Karl G. Gumm, assistant superintendent of agen-

cies; and Fred S. Brynn, agency supervisor.

During March the same agency department leaders will hold similar regional meetings of general agents at Hershey, Pa., March 17; Louisville, Ky., March 24, and Cedar Rapids, Ia., March 31.

Country Life's Annual Roundup

Country Life is holding its 1941 farm bureau insurance roundup in Peoria. The two day meeting, which started Thursday, will include the following speakers on the program: D. C. Mieher, new general manager, "Success Equals Happiness"; Roy Fick, general agent of Madison county, "Do Farmers Need to be Sold Auto Insurance?" Anne Miller, general agent at Joliet and leader in agency and personal production, "Making—Not Waiting for Sales Opportunities"; Dr. J. E. Boland, medical director, "Discussion of Hypertension"; Howard Reeder, actuary and home office manager, who has resigned to become vice-president and actuary of Continental Assurance, "Special Problems"; John Bryant, general agent of De Kalb county, "Four Hundred Thousand in 30 Days"; H. F. Dembusky, Aetna Life, Goshen, Ind., "Life Insurance and Social Security"; Earl M. Schwemm, manager of Great-West Life, Chicago; T. H. Brock, president Farm Advisors Association of Illinois, "Unity", and E. C. Smith, president of the Illinois Agricultural Association.

Life of Va. New Orleans Rally

Agents of the Life of Virginia held a three-day session in New Orleans with 300 in attendance. Home office speakers included Bradford H. Walker, president; I. T. Townsend, vice-president; E. A. Crawford, vice-president; H. P. Anderson, Jr., general supervisor of districts, and C. S. Fleming, editor.

Mutual Life Coast Rallies

Agents of the Mutual Life of New York from Utah and Idaho held a one-day sales meeting in Salt Lake City. Attendance was by qualification. A dinner was attended by wives of agents and a few specially invited guests. Manager C. E. Bechtel was in charge.

Agents from western Washington met in Seattle. J. P. Mulder, Seattle manager, directed the conference.

Equitable Rally in Wichita

The Wichita, Kan., district agency of the Equitable Society held a sales meeting there under the direction of Lee Wandling, district manager. Also attending were A. M. Embry, agency su-

perintendent, Kansas City, V. P. Miller, cashier for Kansas and Missouri, Kansas City, and A. D. Hemphill, St. Joseph, Mo., manager.

Regional Meeting Scheduled

ALBUQUERQUE, N. M.—The Minnesota Mutual Life is holding a regional meeting here March 9-12, with John Boyle, Chicago and New Mexico general agent, as host.

H. M. Faser, superintendent of agencies Lamar Life, conducted agency schools in Birmingham and Montgomery the last week in February.

STOCKS

H. W. Cornellus of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations of life companies as of Feb. 25:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	26	28
Conn. Genl.	10	.80	25	27
Contl. Assur.	10	2.00	36	38
Life & Cas.	3	.50	10	11
Lincoln Natl.	10	1.40*	29	31
New World Life	10	.30	3 1/2	4 1/2
N. W. Natl. Life	7.50	.30	9	11
Ohio Natl. Life	10	1.25	25	27
Old Line Life	10	.60	10	12
Travelers	100	15.00	400	415
Wis. National	10	1.00	16	18

*Includes extras.

The Board of Directors of the BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

take great pleasure in announcing that a program providing for the eventual and complete mutualization of the Company has been unanimously approved by the stockholders.

Details of the Mutualization Plan are available on request of any interested person.

BANKERS LIFE INSURANCE CO. OF NEBRASKA

Established 1887

Home Office

Lincoln, Nebr.

WISCONSIN NATIONAL LIFE INSURANCE COMPANY

C. R. Boardman, President

OSHKOSH, WISCONSIN

FINANCIAL STATEMENT, JANUARY 1, 1941 COMMENCED BUSINESS OCTOBER 12, 1936

ASSETS		LIABILITIES	
Municipal Bonds at Amortized Values	\$3,680,322.37	Legal Reserve	\$8,228,011.40
U. S. Government Bonds	1,916,598.72	Reserve for Installment Death Benefits	196,048.30
Other Bonds	865,323.45	Life Premiums Paid in Advance	67,058.73
First Mortgage Loans (50% of sworn valuation)	942,173.10	Taxes (Estimated)	28,988.95
Cash on hand and in banks	629,960.49	Death Claims (Life Dept.) Proofs not completed	10,326.00
Loans to Policyholders (Secured by Legal Reserve)	1,070,162.65	Claims (Estimated) and Unearned Premiums of Accident & Health Department	47,182.68
Home Office Building	170,000.00	Miscellaneous Liabilities	37,023.01
Other Real Estate	391,916.11	Surplus set aside for Contingent Emergencies and Depreciation of Securities	\$375,000.00
Premium Notes (Secured by Legal Reserve)	2,850.61	Surplus (Unassigned)	\$79,344.60
Interest Accrued	70,869.50	Capital Stock Par Value (Fully Paid-Up)	400,000.00
Premiums due and deferred	231,353.33	(Additional Protection to Policyholders)	\$1,354,344.60
Due from other Companies	4.80		\$9,968,983.67
	\$9,971,535.13		
Less not admitted assets	2,551.46		
Total admitted assets	\$9,968,983.67		

Increase in Reserves.....\$448,252.00
Increase in Admitted Assets.....\$479,419.00

Increase in Accident & Health Premiums.....\$22,451.00

LIFE—ACCIDENT—HEALTH

Insurance in Force.....\$41,388,382.00
Increase in Insurance in Force.....\$ 1,202,398.00

AGENCY OPENINGS IN ILLINOIS, INDIANA, MINNESOTA, MICHIGAN AND WISCONSIN

Texas Attorney-General May Take Independent Action Against Insurer

The Texas court of civil appeals at Beaumont has held that the lower court erroneously dismissed a suit brought by the attorney general to cancel the charter that was issued to Teachers Annuity Life of Texas. The judgment of the lower court was reversed and the cause was remanded.

The action was instituted by the attorney general against the officers, directors and stockholders and against Teachers Annuity Life itself. The attorney general claimed that the capital stock of \$100,000 upon which the charter was secured was purportedly paid for by transferring to the corporation an equity in a lot and building in San Antonio and that this was not a permissible transaction. The question was whether the attorney general had the right to bring the suit without the consent of the board of insurance commissioners. The higher court held that the special legislation passed with respect to insurance companies does not limit this power of the attorney general and that he may seek the cancellation of the charter of such a company without any joint action or consent of the insurance commissioner.

Alleges \$77,000 Deficit

The attorney general alleged that the San Antonio property was acquired by the incorporators for consideration of \$140,000 secured by an installment note in the sum secured by vendor's lien on the property; that the capital stock was paid for entirely by transfer of that property to the purported corporation at a valuation of \$275,000, the corporation assuming payment of the \$123,000 indebtedness against it.

The capital stock was made up of 10,000 shares of \$10 par value. The attorney general alleged that C. M. Hargrove, as owner or as trustee for a number of persons, acquired a large amount of the stock which he is selling to the public and it is alleged that this stock is "fictitious and void."

The attorney general alleges that no part of the \$123,000 indebtedness which Teachers Annuity Life purported to assume against the property has been paid; that \$3,000 in taxes have accrued against the property, that the total indebtedness is now \$132,000 and that the cash-market value of the property is only \$55,000. In other words that there is a net deficit of \$77,000. The attorney general alleges that the company has no property or assets except the purported equity in the property.

Besides Hargrove the defendants are C. H. Caviness, Dr. Floyd McCullar, Dr. W. A. King, Adrian Spears, C. J. Hester, A. J. Ritter, Jr., and Dr. M. J. Smith.

E. J. Dore Properly Identified

In reporting the recent meeting of the Chicago Life Insurance & Trust Council reference was erroneously made to Edward J. Dore of Detroit. Mr. Dore was identified incorrectly as being with the George E. Lackey agency of Massachusetts Mutual Life whereas as a matter of fact, he is with the C. Carroll Otto agency of Mutual Benefit Life. He is well known throughout the country and is a member of the Million Dollar Round Table. Mr. Dore was in Chicago for a conference with Nathaniel Seefurth on the subject of bonus and profit sharing trusts. The others present at that meeting were Mr. Lackey, H. Ben Ruhl of Massachusetts Mutual, Detroit; Lowell Newman, Adolph Gilman and Frank Holmes.

J. H. McIntosh, 82, general counsel New York Life before going into practice for himself in 1922, died in New York. He retired several years ago as a practicing attorney. In 1934, as a member of the law firm of Alexander & Green he argued one of the gold-clause cases against the United States which tested the government's right to abrogate its pledge to pay off dollars in gold.

AGENCY NEWS

Cadwell Has Annual Roundup

The annual convention of the Oakland (Cal.) Agency Field Club of Mutual Life, H. B. Cadwell being manager, is to be held at Oakland Friday of this week. At the morning session with Mr. Cadwell as chairman, a talk will be given by K. J. Newfarmer and there will be a seminar on the family income contract with Norman L. Horner as the leader. Announcement of contest leaders will be made at the luncheon. There will be a seminar in the afternoon on salary savings with A. C. Nelson, agency organizer, and A. J. Kirkpatrick, as leaders. The day will end with a dinner dance. The ladies will have lunch at the home of Mrs. Cadwell.

Duffey Agency Honored

Parks P. Duffey, Richmond general agent Connecticut General Life, was awarded a certificate for outstanding performance of his agency in 1940 at a luncheon there by F. H. Haviland, agency vice-president.

The Duffey agency paid for 40 percent more life insurance and 52 percent more premiums in 1940 than in 1939.

Robjont State Mutual Leader

Officials of the State Mutual Life tendered a banquet to George F. Robjont, Boston general agent, whose agency led in 1940 in volume of paid business. President Chandler Bullock, Vice-presidents Stephen Ireland and Ross B. Gordon and R. H. Denny, director of agencies, represented the company.

CHICAGO

EDWARDS ASSISTANT MANAGER

Herman Edwards has been appointed assistant agency manager of the Samuel Lustgarten agency of Equitable Society, Chicago. He has been with the agency for five years, this being his only insurance connection. He is a graduate of the University of Chicago and was in publicity work before going with Equitable Society.

EHLEN AGENCY AT 1 LA SALLE

The Frank F. Ehlen agency of Guarantee Mutual Life in Chicago has moved to 1905, 1 North LaSalle street. For seven years, Mr. Ehlen has been located at 100 West Monroe street. The agency has about \$8,000,000 of insurance in force.

MODERNIZING GROUP COVERAGE

E. A. Koch of the Bell & Howell Manufacturing Company, speaking before the group supervisors division of the Chicago Association of Life Underwriters, outlined the features of that firm's new group insurance plan. The company, he said, first adopted a group life plan 15 years ago, and this has been changed to a modern plan where the employees pay a part of the premium. He said the plan may be altered in the future, in line with improvements in coverage which may be brought out.

The plan gives \$500 of free life insurance plus additional benefits ranging from \$500 to \$9,500, depending upon the employee's earnings. The plan also provides weekly accident and health benefits ranging from \$10 to \$40, hospital benefits including full surgical reimbursement, and daily benefits of \$3 to \$6 for additional expenses such as operating room and x-ray.

BOWSER AGENCY SETS FAST PACE

The Arda C. Bowser agency in Chicago of National Life of Vermont is setting a pace these days. In December alone, the business was the equivalent of that done in a normal six month period and in January the business was double that of the preceding January. The February production is also double

that of February a year ago. The big impetus was the fact that National Life changed its life income option effective Jan. 1. That caused the agents to intensify their production efforts and there has been no let down in the activity.

Mr. Bowser is adding selectively to the organization. He recently employed a supervisor and may add to his supervisory organization. He is determined that everyone in the agency shall make a respectable living and be a credit to the business. He feels very strongly that unless a man is sound financially and socially, he is not able to carry the life insurance message with the right degree of conviction.

OCCIDENTAL HOLDS OPEN HOUSE

The Chicago branch of the Occidental Life of California is holding an open house Friday afternoon to introduce its new executive setup. Hosts will be A. E. McKeough, Chicago branch manager; A. D. Anderson, division manager accident and health department; J. E. Carnal, manager brokerage department; Frank Stumb, regional group representative, and G. N. Stafford, agency supervisor.

THREE FORUM SPEAKERS MARCH 1

Speakers before the Saturday Morning forum meeting March 1 under sponsorship of the Chicago Association of Life Underwriters will be Raymond T. Smith, of Alfred M. Best & Co., Levering Cartwright, of THE NATIONAL UNDERWRITER, and Gifford T. Vermillion, Chicago manager of Mutual Life. Mr. Smith will talk on "Analyzing Financial Statements," Mr. Cartwright will tell "What Insurance Trade Papers Should

Mean to an Agent," and Mr. Vermillion's topic is "Motivating and Securing Action."

P. T. AUBIN COMPANY LEADER

Philip T. Aubin of the Allison agency of Connecticut General Life in Chicago was the production leader of his company countrywide last year and thus becomes head of the President's Club.

Mr. Aubin has for the past six years been company leader four times. He has been head of the President's Club three different years. Mr. Aubin started with Connecticut General in 1921 as a traveling auditor. Later he was transferred to Chicago as cashier and then entered the production end.

HOULE AGENCY IMPROVES STANDING

The A. R. Houle Agency of Massachusetts Mutual Life, since Mr. Houle took over as general agent in August, 1939, has gone from 31st position on the agency roster to 17th. In the last quarter, business has shown an increase of better than 25 percent.

Mr. Houle started with Mutual Benefit Life in Chicago in 1919 as instructor of agents. He turned to personal producing and in 1936 was in second place for the entire country. In 1938 he went to St. Paul as general agent for Massachusetts Mutual and a year later returned to Chicago in his present capacity.

C. S. Minor, for 19 years a leading producer of the Mutual Benefit, has joined the Hughes agency of the Massachusetts Mutual in Chicago. He entered life insurance in 1922 and has produced as high as \$800,000 a year.



THE

POLICYHOLDERS' COMPANY

SINCE 1845

The Mutual Benefit

LIFE INSURANCE COMPANY

ORGANIZED 1845 • NEWARK, N. J.

NEWS OF LIFE ASSOCIATIONS

Map 2 Huge Rallies in California

SAN FRANCISCO—With a goal of 1,300 in attendance a committee headed by H. K. Cassidy, general agent Pacific Mutual Life, is conducting an intensive campaign in the northern California area on behalf of the sales congress March 3. The event is sponsored jointly by the National Association of Life Underwriters, the San Francisco, Oakland-East Bay, Sacramento, Stockton and Central California associations.

Speakers are H. T. Wright, Chicago, president National association; C. J. Zimmerman, Chicago, past president; Grant Taggart, Cowley, Wyo., national secretary; Gale F. Johnston, St. Louis; James E. Rutherford, Seattle, and Roy Ray Roberts, Los Angeles, trustees. Mr. Zimmerman will be chairman and Mr. Roberts honorary chairman.

Managers Luncheon Guests

Prior to the congress, general agents, managers and superintendents of northern California life offices will be guests of the National association at a luncheon, at which President Wright and other national executives will discuss ways and means of stimulating membership interest in the local, state and national organizations.

The San Francisco Life Underwriters Association anticipates the addition of at least 150 members as a result of the concentrated attack prior to and following the sales meeting.

M. L. Hoffman, executive secretary National association, who has been in San Francisco about two weeks, has left for Los Angeles, where another monster mass meeting of southern California life underwriters will be held March 5.

Henry E. Belden, Union Central Life, president of the Los Angeles association, is in charge there. The same speakers that will appear at San Francisco will be featured.

More than 2,800 are expected to attend.

Presiding will be Mr. Zimmerman. Honorary chairman will be Mr. Roberts.

Preceding the session will be a luncheon for general agents, managers and superintendents of the Los Angeles district. The luncheon will be under the sponsorship of the National Association in cooperation with the Los Angeles group, and the same six officials will appear on the program.

Inflation "Remote," Faser Tells Buffalo Association

BUFFALO—The possibility of inflation is very remote, H. M. Faser, Jr., Boston general agent Penn. Mutual Life, told the Buffalo Life Underwriters Association at a luncheon meeting with nearly 200 in attendance.

He said the national defense program as yet has had little effect on insurance sales but predicted "a tremendous increase in life insurance business before the end of this year." He said rising taxes will induce employers to spend more of their excess profits on group insurance plans.

Discussing selling technique, Mr. Faser said that today, more than ever before, it is important to "disturb" a prospect, because there are so many other disturbances around him. He warned that it is difficult to sell insurance without giving the prospect a chance to talk and express his own views.

"Always have plenty of ammunition on hand for the close," he suggested. "If one line of attack fails, be ready to try another." He said it is necessary to apply pressure to close a sale and urged salesmen not to be afraid to use pressure.

C. S. Elliott, retired general agent of

the Travelers in Buffalo, was made an honorary life member. T. C. Snow, chairman membership committee, introduced six new members. L. G. Thebaud, president Buffalo Life Managers Association, reported on recent activities of that group.

Chicago Party to National Rally Now Number 16

A large delegation from Chicago to the mid-year meeting of the National Association of Life Underwriters in Wichita, Kans., March 27-29 is anticipated, according to William M. Houze, president, Chicago Association of Life Underwriters. Extra train and plane service will be available out of Chicago, and eastern and northern associations are welcome to join the party of Chicagoans.

Sixteen Chicagoans have indicated they will attend the Wichita meetings, including, of course H. T. Wright, Equitable Society, National president, and C. J. Zimmerman, Connecticut Mutual Life, immediate past National president. W. M. Houze, John Hancock, Chicago association president, will attend and P. B. Hobbs, Equitable Society, National committeeman; L. M. Buckley, chairman committee on national council meetings; Miss Joy M. Luidens, secretary Chicago association; A. E. McKeough, Occidental Life, Calif.; C. B. Stumes, Penn Mutual; R. R. Reno, Jr., and W. V. Woody, Equitable Society; E. B. Thurman, New England Mutual; J. H. Brennan, Fidelity Mutual; J. D. Moynahan, Metropolitan, chairman Chicago general agents and managers division; George Huth, Provident Mutual; John Walsh, Home Life of New York; and W. E. Hughes, Massachusetts Mutual. F. P. Beiriger, president Illinois association, plans to join the Chicago group.

Illinois State Association Meeting Plans Announced

Plans for the Illinois State Association of Life Underwriters annual meeting in Chicago April 18 were announced this week by F. P. Beiriger, president. It will be held in conjunction with the sales congress of the Chicago association April 19.

The state meeting will start at 11 a. m. April 18. In the business meeting there will be committee reports by chairmen: L. M. Buckley, Chicago, sales congress; K. E. Williamson, Peoria, education; C. H. Leas Jr., Decatur, extension; E. M. Spink, Jacksonville, finance; J. L. Taylor, Springfield, legislation; Frank Palumbo, Kankakee, membership, and R. S. Wilson, Bloomington, publicity.

The nominating committee consists of B. J. Stumm, Northwestern Mutual, Aurora, chairman; P. B. Hobbs, Chicago, Equitable Society; Dr. J. H. Pearce, Connecticut Mutual, Peoria; S. L. LaFond, Metropolitan, Rockford; and H. M. Solenberger, Mutual Benefit, Springfield.

A luncheon will follow with three talks depicting what a life agent may expect to receive from his association. H. T. Wright, president National Association of Life Underwriters, will talk on National association activities; State Association work will be covered by President Beiriger, and F. H. Snell, Peoria, general agent Penn Mutual, will deal with local association functions. An open forum will be held on association work.

A large delegation from downstate is indicated in early reservations made by several associations. All sessions will be held in Hotel LaSalle.

Discuss California Legislation

LOS ANGELES—Officers, members of the executive committee and mem-

HIGHLIGHTS FROM 1940

The 36th Annual Report of the INDIANAPOLIS LIFE INSURANCE COMPANY sets forth many interesting facts. The following are some of the highlights of the record:

INSURANCE IN FORCE

Increased in 1940	\$ 3,712,455.00
Making Total in Force	114,767,904.00

ASSETS increased

Making Total Assets	2,140,922.17
	26,144,751.34

SURPLUS increased

Making Total Surplus	151,129.91
	1,663,435.56

SINCE 1940

ASSETS HAVE INCREASED	117%
SURPLUS HAS INCREASED	142%

32% more men paid for \$100,000 or more of new business than in 1939.

THE RENEWAL LAPSE RATIO—While always favorable—was the LOWEST IN THE COMPANY'S HISTORY.

Indianapolis Life Insurance Company

A Quality, Legal Reserve Mutual Company

Ambitious underwriters who write quality business are finding a splendid future with the Company.

Agency opportunities in Indiana, Illinois, Ohio, Iowa, Michigan, Texas and Minnesota

EDWARD B. RAUB
President

A. H. KAHLER
Second Vice-President
Supt. of Agencies

LIFE REINSURANCE—

STANDARD AND SUBSTANDARD

North American Reassurance Company

Lawrence M. Cathles, Pres.

99 John Street, New York

bers of the legislative committee of the California State Association of Life Underwriters met in Los Angeles this week and heard the report of Chairman Kellogg Van Winkle of the legislative committee. Each of the bills before the legislature of importance to life insurance was discussed.

There was a general sense of appreciation of the cooperation between the association and the California department. There are but two bills where some differences occurred and it is expected that the committee and the department will get together on these.

Definite opposition was expected to the savings bank life insurance bill.

It was decided that the annual meeting of the state association will be held late in June, the exact time and place to be announced later.

Mich. Annual Meeting May 23-24

DETROIT—Plans are already under way for the annual meeting of the Michigan Association of Life Underwriters, which is scheduled for Battle Creek May 23-24, with the Battle Creek association as host. F. C. White, district manager Penn Mutual and president of the Battle Creek association, heads the local arrangements committee.

At the banquet in Lansing March 5, honoring Governor Van Wagoner and Commissioner Berry, one of the speakers will be Col. C. B. Robbins, manager and general counsel American Life Convention. President E. P. Balkema, manager Northwestern National, will be toastmaster.

Over 400 at Utah Congress

SALT LAKE CITY—Over 400 attended the annual sales congress of the Utah Life Underwriters Association here. Speakers included H. T. Wright, Equitable Society, Chicago, president of the National association.

New Cleveland Secretary Named

CLEVELAND—Lloyd C. Nelson has been named executive secretary of the Cleveland Life Underwriters Association to succeed George H. Thobaben, who resigned to join the Penn Mutual here.

Mr. Nelson was formerly connected with the Universal Credit Corporation, auto finance company, and the First Cleveland Corporation, investment security house.

Des Moines—H. T. Wright, president National association, declared that "life insurance agents, more than anybody else, help reduce taxes." He pointed to national statistics which he said showed life insurance funds constitute 87 percent of the average estate.

"Obviously," he said, "if the public were not sold on the value of life insurance, our various governmental bodies would be compelled to care for the survivors of a large majority of deceased adults."

Many Des Moines business men and executives of Des Moines life companies attended.

Kalamazoo, Mich.—S. D. Risley, assistant superintendent of agencies Metro-

politan Life, spoke on "Intangibles." W. G. Kelley, Metropolitan manager and association president, introduced the speaker.

Fort Worth, Tex.—B. P. Stone, Fort Worth attorney, spoke on the economic effect of war defense in Fort Worth. Three California-Western States Life officials were guests: R. P. Cox, agency manager; E. L. Guttersten, inspector of agencies and B. T. Cantrell, Texas supervisor. Mr. Cox spoke. R. H. Kerr, supervisor of agencies State Life of Indiana, also was a guest. President N. S. Longabaugh, Manhattan Life, presided.

In a special radio program broadcast from Fort Worth, teams from the Fort Worth and Dallas associations vied in a quiz program.

Peoria, Ill.—K. W. Conrey, Grand Rapids, general agent Penn Mutual, spoke on "Selling Life Insurance in 1941." He told of his inventory system which classifies both prospects and policyholders according to needs. Guests included A. E. Patterson, vice-president; J. M. Royer, Chicago general agent, and E. P. Connolly, Des Moines general agent, all of Penn Mutual Life. F. E. Cavette, Massachusetts Mutual, vice-president, presided as President F. J. Manning, Metropolitan Life, is on vacation in Florida.

Memphis, Tenn.—James Herman, Guardian Life, spoke on "Prospecting"; Oscar Hurt, State Mutual, on "Programming Insurance," and Herman Appleson, New York Life, on "Keeping Records."

Boston—W. G. Strathern, director of sales training of a New England coke company, gave an address on salesmanship. Certificates were awarded to the agencies which have 100 percent membership: Clarke agency, Acacia Mutual; Hay agency, Aetna Life; Shearer agency, Connecticut Mutual; Cooley agency, Equitable Life of Iowa; Quincy agency, John Hancock; Cambridge agency, Metropolitan; Fenway agency, Metropolitan; John C. Paige, Travelers, and Bogardus agency, Union Central Life.

Detroit—Three of the new agency executives in Detroit were introduced by President W. A. Post, Connecticut General, including R. H. Wertz, Reliance Life; C. E. Stumb, Connecticut Mutual, and F. M. Minninger, general agent, Connecticut General. A. D. Sutherland, general agent Home Life, who was awarded the President's Cup by his company for outstanding achievement in agency building and management in 1940, also was introduced.

Portland, Ore.—James Rutherford, Seattle general agent Penn Mutual Life and National association trustee, will speak at the annual sales congress Feb. 28.

Topeka—Leon B. Fink, assistant manager Equitable Society, and president Kansas City Life Underwriters Association, spoke on "Stick to Your Guns."

Kansas City—Membership has reached a new all-time high of 400, coming up, despite a dues increase late last year, from the 1940 high of 337, reports Kiah Warden, Connecticut General, membership chairman.

Dallas—A team of four members of the Fort Worth association defeated a team from the Dallas association on the "Quiz of Two Cities" program over stations WFAA-WBAP. Members of the winning team were: N. S. Longabaugh, Manhattan Life, association president;

Miss Mary B. Kern, Southwestern Life; Mrs. Mabel Bennett, Pacific Mutual Life, and Tom Taylor, State Life of Indiana. Members of the losing Dallas team were: Miss Catherine Wharton, Southwestern Life; Mrs. C. B. Godfrey, Great National Life; Rufus Caldwell, Connecticut General Life, and Lionel Hardie, American National.

Omaha—Harry T. Wright, president of the National Association of Life Underwriters, addressed a meeting of more than 300. Insurance Director C. C. Fraizer and John Logan, attorney for the department, were guests.

Robert A. Wiley, president of the Omaha association, presided.

Following Mr. Wright's address, a meeting was held with the directors and presidents of the various local associations in Nebraska.

Minneapolis—R. L. Smith, Jr., Minnesota securities commissioner, told how the public often falls for get-rich-quick schemes and loses thousands of dollars annually which might better go into life insurance.

Fort Wayne, Ind.—L. L. Newman, associate general agent Penn Mutual, discussed "Selling." The annual sales congress will be held late in March.

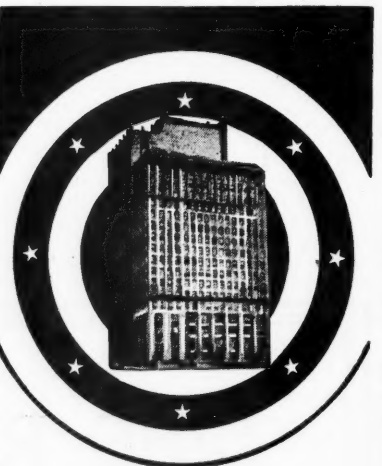
Toledo, O.—C. L. Burden, division supervisor field training division Metropolitan Life in Ohio, Indiana, West Virginia and Kentucky, discussed "Organized Selling."

Salina, Kan.—J. S. Piper, Metropolitan Life, has been advanced from vice-president to president following the transfer of J. J. Donelan, Pan-American Life former president, to Manhattan. A series of monthly newspaper advertisements, including mats furnished by the National association, is being run in the Salina papers signed by paid-up members of the Salina association, in the interest of the association and life insurance.

Pittsburg, Kan.—The annual ladies night meeting will be held March 7, with Hugh D. Hart, Illinois Bankers Life, as speaker. A membership goal of 30 has been set in a campaign directed by a committee headed by Albert Brannum, Metropolitan.

Buffalo—A. R. Jaqua, associate editor of the Diamond Life Bulletins, will speak March 20 on "On the Assembly Line."

Hutchinson, Kan.—J. E. Conklin, president of the Kansas association, spoke



General Agency
OPPORTUNITIES
for good personal
producers

Central Life
INSURANCE COMPANY
of Illinois

ALFRED MacARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

ACTUARIES

CALIFORNIA

Barrett N. Coates Carl E. Herfurth
COATES & HERFURTH
CONSULTING ACTUARIES
582 Market Street 437 S. Hill Street
SAN FRANCISCO LOS ANGELES

ILLINOIS

DONALD F. CAMPBELL
and
DONALD F. CAMPBELL, JR.
Consulting Actuaries
100 N. La Salle St. Chicago, Illinois
Telephone State 1330

WALTER C. GREEN
Consulting Actuary
Franklin 2833
211 W. Wacker Drive, Chicago

HARRY S. TRESSEL
Certified Public Accountant and
Actuary
10 S. La Salle St., Chicago
Associates
M. Wolfman, A. A. I. A. Franklin 409
N. A. Moscovitch, Ph. D.
L. J. Lally

INDIANA

Haight, Davis & Haight, Inc.
Consulting Actuaries
FRANK J. HAIGHT, President
Indianapolis—Omaha

HARRY C. MARVIN
Consulting Actuary
221 E. Ohio St.
INDIANAPOLIS, INDIANA

NEW YORK

Established in 1885 by David Parks Fackler
FAKLER & COMPANY
Consulting Actuaries
Edward B. Fackler Robert O. Hahn
8 West 40th Street New York City

Consulting Actuaries
Auditors and Accountants
S. H. and Lee J. Wolfe
Lee J. Wolfe
William M. Corcoran
Joseph Linder
116 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN
CONSULTING ACTUARIES
Associates
Fred E. Swartz, C. P. A.
E. P. Higgins
THE BOURSE PHILADELPHIA

LIFE

SELL THEM WHAT
THEY WANT
ACCIDENT
HEALTH

Sell the public
what it wants—
complete personal protection. You can
build a good volume with the Federal
Life and Casualty's accident—health—life protection for both men
and women and juvenile life for children. Territory open in 30 states.

FEDERAL LIFE AND CASUALTY CO.
DETROIT - - - MICHIGAN

on "The Showmanship of Salesmanship." Members were urged to attend the "Grant Taggart Day" meeting in Dodge City March 26 for southwest Kansas.

NEW YORK

CIVIL RELIEF ACT BOOKLET

The Young Men's Board of Trade of New York City has issued a pamphlet "Military Service and Your Life Insurance." It is largely a factual description of the soldiers' and sailors' relief act of 1940 interpreted in layman language. It takes up various typical situations and answers most of the questions that a man about to be inducted into service might have.

While almost entirely descriptive, the pamphlet draws some conclusions, such as the statement, "Apparently the benefits of the act may be secured by an insured even though the beneficiary is irrevocably designated and even though the insured has assigned the policy, provided he still has some interest in the policy and these benefits may be secured without the consent of such irrevocably designated beneficiary or assignee."

The pamphlet was compiled by the board's insurance committee. It may be had for 10 cents a copy. In quantities of 5 to 100 the price is 5 cents a copy and in lots of 100 or more 3 cents.

D. J. QUINN 30 YEAR MAN

Daniel J. Quinn, manager of the Borough Hall ordinary agency of Prudential in Brooklyn, has rounded out 30 years of service with that company.

He joined Prudential in Brooklyn and then in 1921 was made a special agent in New York City, also serving in that capacity at Los Angeles. In 1929, he was promoted to assistant manager in Los Angeles and assumed his present duties in 1930.

INSURANCE INSTITUTE "EXAMS"

Thus far 3,064 registrations have been received for examinations to be held by the Insurance Institute of America beginning April 21. Centers where class group examinations will take place include Atlanta, Baltimore, Bloomington, Ill., Boston, Cedar Rapids, Ia., Chicago, Cleveland, Columbus, O., Dallas, Detroit, Dubuque, Ia., Glens Falls, Hartford, Jamestown, N. Y., Manchester, N. H., McMinnville, Ore., New Haven, New York, Newark, Philadelphia, Providence, St. Louis, San Francisco, Seattle, Springfield, Mass., Stevens Point, Wis., and Vancouver and Winnipeg, Canada.

In addition some 300 individual and correspondence course students will take examinations in various locations including centers in Cuba, Mexico, Hawaii and the Philippine Islands.

WOMAN'S ARTICLE REPRINTED

The article on insurance "Selling Security for Tomorrow" that appeared in "Independent Woman," publication of the National Federation of Business & Professional Women's Clubs, has been put out in reprint form and sells for 15 cents or 10 for \$1.25. The organization is located at 1819 Broadway, New York City.

JOINS HOEY & ELLISON

C. G. Werner has resigned from the Albert Jones agency of the Mutual Life in New York City to become brokerage supervisor of the Hoey & Ellison life agency of the Equitable Life of Iowa. Mr. Werner has been in the life insurance business for the last four years. He succeeds J. A. O'Hara who has been promoted to other duties with the general insurance brokerage firm of Hoey, Ellison and Frost, but will still be available for consultation with brokers.

Herbert L. Cramer, general agent of Northwestern Mutual at South Bend, Ind., is recovering from a recent operation performed at the Epworth hospital.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Sun Makes First Change Since '37

The dividend schedule going into effect April 1 for Sun Life of Canada is the first dividend revision by that company since 1937. The effect of lower interest earnings is quite apparent in this new scale where there are numerous increases during the early policy years but decreases in later years under the ordinary life contract. In the accompanying table it will be noted that dividends for age 60 at issue are lower than those for age 55. At age 60 the mortality saving was not sufficient to offset the interest factor. Another peculiarity is that dividends for the first few years under ordinary life are higher than similar dividends for 20 payment life and 20 year endowment. The accompanying table gives a portion of the schedule on the more important forms.

Ordinary Life						
Pre. Ages	25	35	40	45	55	60
1	21.25	27.90	32.65	38.90	57.95	72.65
2	4.56	5.10	5.35	5.77	6.42	5.74
3	4.61	5.17	5.44	5.87	6.56	5.90
4	4.66	5.25	5.53	5.97	6.70	6.06
5	4.77	5.34	5.62	6.06	6.83	6.18
6	4.82	5.48	5.76	6.18	6.98	6.38
7	4.88	5.56	5.89	6.40	7.25	6.69
8	4.94	5.64	5.98	6.50	7.39	6.84
9	5.00	5.72	6.08	6.61	7.53	6.99
10	5.06	5.80	6.17	6.72	7.66	7.14
11	5.12	5.89	6.27	6.83	7.80	7.28
12	5.19	5.97	6.37	6.94	7.93	7.42
13	5.25	6.06	6.47	7.05	8.06	7.56
14	5.32	6.15	6.57	7.16	8.19	7.69
15	5.39	6.24	6.67	7.27	8.32	7.83
16	5.46	6.33	6.77	7.38	8.44	7.95
17	5.53	6.42	6.87	7.49	8.56	8.08
18	5.60	6.51	6.97	7.60	8.68	8.20
19	5.67	6.60	7.07	7.71	8.80	8.31
20 Yr. Tot.	98.90	113.27	120.39	130.85	148.63	137.93

20 Payment Life						
Pre. Ages	25	35	40	45	55	60
1	30.70	37.35	41.75	47.20	63.40	76.10
2	3.85	4.42	4.77	5.24	5.64	4.58
3	3.94	4.54	4.90	5.39	5.81	4.76
4	4.05	4.67	5.04	5.53	5.99	4.95
5	4.22	4.92	5.32	5.84	6.34	5.32
6	4.37	5.06	5.47	6.00	6.51	5.50
7	4.48	5.20	5.62	6.16	6.70	5.69
8	4.60	5.34	5.77	6.33	6.88	5.88

Pre. Ages	25	35	40	45	55	60
1	30.70	37.35	41.75	47.20	63.40	76.10
2	4.72	5.49	5.93	6.50	7.07	6.07
3	4.85	5.64	6.09	6.67	7.26	6.26
4	4.98	5.79	6.26	6.85	7.45	6.45
5	5.11	5.95	6.43	7.04	7.65	6.65
6	5.25	6.12	6.61	7.22	7.86	6.86
7	5.40	6.29	6.79	7.42	8.07	7.08
8	5.54	6.46	6.98	7.62	8.29	7.30
9	5.70	6.64	7.18	7.83	8.53	7.55
10	5.85	6.83	7.38	8.05	8.78	7.81
11	6.02	7.02	7.59	8.28	9.04	8.10
12	6.19	7.22	7.81	8.52	9.33	8.43
20 Yr. Tot.	95.38	110.79	119.70	131.01	142.43	122.94

20 Year Endowment						
Pre. Ages	25	35	40	45	55	60
1	49.15	51.00	52.75	55.55	66.90	77.80
2	3.86	4.35	4.59	5.09	5.74	4.69
3	4.04	4.54	4.77	5.27	5.93	4.88
4	4.24	4.73	4.97	5.46	6.12	5.08
5	4.45	4.94	5.18	5.67	6.33	5.29
6	4.64	5.13	5.37	5.86	6.52	5.47
7	4.85	5.34	5.58	6.07	6.72	5.67
8	5.07	5.56	5.79	6.29	6.93	5.88
9	5.30	5.79	6.02	6.51	7.14	6.08
10	5.53	6.02	6.25	6.73	7.36	6.29
11	5.77	6.26	6.49	6.97	7.58	6.51
12	6.03	6.51	6.73	7.22	7.81	6.73
13	6.20	6.77	6.99	7.47	8.06	6.96
14	6.56	7.04	7.26	7.74	8.37	7.20
15	6.84	7.32	7.54	8.01	8.58	7.45
16	7.13	7.61	7.83	8.30	8.86	7.73
17	7.44	7.91	8.13	8.61	9.16	8.03
18	7.75	8.23	8.45	8.93	9.49	8.36
19	8.08	8.56	8.79	9.27	9.85	8.74
20	8.42	8.91	9.14	9.63	10.25	9.17
20 Yr. Tot.	114.49	123.97	128.43	137.92	149.88	128.83

30 Year Endowment			
Premiums	25	35	40
1	\$ 32.90	\$ 35.85	\$ 38.60
2	4.40	5.10	5.44
3	4.50	5.21	5.56
4	4.61	5.32	5.67
5	4.77	5.45	5.79
6	4.83	5.55	5.91
7	4.95	5.67	6.04
8	5.07	5.80	6.16
9	5.20	5.93	6.29
10	5.33	6.06	6.42
11	5.46	6.19	6.56
12	5.60	6.33	6.70
13	5.74	6.47	6.84
14	5.89	6.62	6.98
15	6.04	6.77	7.13
16	6.20	6.92	7.28
17	6.36	7.08	7.44
18	6.53	7.24	7.60
19	6.70	7.41	7.77
20	6.88	7.59	7.94
20 Yr. Totals	107.36	121.41	128.42

Equitable, Can., Continues Scale

The Equitable Life of Canada, Waterloo, Ont., will continue its 1940 dividend

scale for 1941. This scale has been unchanged since 1936. Interest on dividends left to accumulate remains at 4 percent. The rate on proceeds payable under settlement options also is 4 percent.

Occidental of Cal. Issues Three New Contracts

Occidental Life of California announced at its agents convention in New Orleans last week three new policies, which are "income replacement," "family protection" and "mortgage protection rider."

The income replacement is a development of the address given some time ago by F. M. Hope, vice-president, in which he expressed the idea of issuing earnings insurance. The second form is a single policy combining term to 65 and family income to 65. The mortgage protection rider may be attached, with few limitations, to any existing or newly issued Occidental policy.

Income replacement is designed specifically to insure a person's earned income. In the event of his death his dependents will continue to receive this amount until he would have reached normal retirement age 65. It does not have cash values or other non-forfeiture options, nor a multiplicity of settlement options, and provides maximum protection for minimum outlay. It is similar to family income but does not require a lump sum face amount as a basis for the family income. Limits are ages 20-50 inclusive, minimum \$15 per month and maximum 50 percent of earned income. The policy is sold in units of \$10 per month income.

There are three special conversion options, to ordinary life with family income to age 65 (or to endowment life income with family income at 65) with face amount such as to make net amount at risk including family income the same as amount of insurance at risk under the income replacement policy; or to either of these forms in amount to provide the same monthly family income; or without medical, to any non-participating whole life or endowment policy at the effective premium rate at attained age.

An additional protection rider providing additional term insurance to age 65 was announced which can be used to increase the face amount of the income replacement or family income form, the minimum additional issued being \$500 with rider conversion prior to age 60.

The family income contract is issued in units of \$10 monthly income which is provided in the event of insured's

RECOGNIZED
EVERYWHERE
AS . . .

"One of The Best"

CENTRAL LIFE
ASSURANCE SOCIETY
(MUTUAL)

Home Office
DES MOINES

death before age 65 until he would have attained age 65, with the face amount payable at that time. The premium is level with full non-forfeiture values, but extended insurance for only the face amount. The minimum face amount is \$1,000.

Illustrative premium rates at quinquennial ages are:

Age	Inc. Repl.		Fam. Inc.		Mort. Prot.		Rider	
	Per Mo.	Add. to 65	Per Mo.	22 Yr.	25 Yr.	20 Yr.	15 Yr.	9 Yr.
20	\$19.61	\$10.73	\$23.85	\$8.55	\$7.92	\$7.69		
25	20.19	11.38	24.32	9.03	8.33	8.04		
30	21.04	12.38	24.98	9.79	8.95	8.55		
35	22.13	13.73	25.91	11.07	10.02	9.36		
40	23.27	15.43	28.91	13.42	12.23	11.16		
45	24.00	17.92	33.51	17.11	15.48	13.94		
50	24.00	22.14	36.99	20.56	18.12			
55	24.00	24.80	38.39	23.39	25.13			
60	24.00	26.38	36.38					

John Hancock New Annuity Rates

Effective March 1, John Hancock Mutual adopted the new standard table for single premium immediate annuities.

C. L. U.

New Course at Ohio State

The Columbus chapter of C. L. U. has arranged for another course on finance at Ohio State University starting March 3. Prof. J. W. Ley of the university will conduct the course on corporation finance, Prof. Virgil Willit the one on banking and credit and Prof. N. G. Riddle that on investments. A course on law, trust and taxes has just been completed.

McCann Speaks in Indianapolis

Carl McCann, Northwestern Mutual Life, past president, spoke to the Indianapolis C. L. U. chapter, analyzing the economic theories of Carl Snyder, Federal Reserve Bank. Mr. McCann served as an instructor in economics in several mid-west colleges.

Williams Speaks in Dallas

J. P. Williams, director educational advisory department American College of Life Underwriters, will speak at two meetings in Dallas March 3 while in the southwest to attend the C.L.U. regional conference at Oklahoma City Feb. 28-March 1. He will discuss the history and work of the American College at a luncheon attended by the Dallas Life Insurance Managers Club and local company officials and will talk at a dinner for the Dallas C.L.U. chapter and students and instructors in the C.L.U. courses.

Review Courses in Newark

The review courses in Newark for the C. L. U. examinations, sponsored by the American College of Life Underwriters and the life underwriters of Northern New Jersey, are well attended. There

will be 15 classes in all. The course is conducted at the University of Newark.

Negro Group's Essay Contest

To promote interest in insurance among the rising generation of Negroes and also as a means of interesting prospective agents for Negro companies, the National Negro Insurance Association has launched a nationwide essay contest in which several hundred dollars in prizes will be given for the best essays by high school students on "Life Insurance and Its Relation to Education."

Kavanaugh Zone 5 Chairman

Commissioner Read of Oklahoma, secretary National Association of Insurance Commissioners, has announced the appointment of Commissioner Kavanaugh of Colorado to succeed Harrison of Arkansas as chairman of Zone 5.

Title Insurance Companies

The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

COLORADO

THE TITLE GUARANTY COMPANY

W. Elliott Houston, Pres. Aksel Nelson, Exec. V. P.
"Home of Landon Abstracts"

Titles insured thruout Colorado.
Escrow Service—Loans—Abstracts

1500 Court Place—Denver

MISSOURI

Title Insurance Corporation of St. Louis

810 Chestnut Street

McCune Gill, Vice President

Qualified with Insurance Departments of Missouri and Eastern States

— o —

Disburses construction funds and insures against Mechanic Liens

OHIO



OKLAHOMA

AMERICAN FIRST TRUST CO.

First National Bldg.

Oklahoma City, Okla.

STATE-WIDE TITLE INSURANCE

Under Supervision of State Bank Commissioner

March 15 Is Currently the Biggest Competitor

Life insurance agents find that the biggest competitor at the moment is, so to say, March 15, in other words, the deadline for filing income tax returns. The income tax, with its increased rate, is uppermost in the minds of many prospects today. A good many men have not yet prepared their returns and have not discovered exactly what their tax

will be. It is a substantial mental hazard and it is causing consideration of life insurance to be deferred in a good many cases. Probably, after the taxpayer has made his calculations, learns the bad news and makes out his check, he will be a better life insurance prospect.

C. H. Heyl, director of agencies, and J. H. Lee, special representative of the Bankers Life of Nebraska, met with the C. K. Dean agency of Wichita, Kan.

PROPERTY MANAGEMENT DIRECTORY

The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

ENGEL REALTY COMPANY

Realtors & Insurers

MANAGEMENT SALES
LEASES APPRAISALS
BIRMINGHAM, ALABAMA

KANSAS

Complete Real Estate Service

• PROPERTY MANAGEMENT
• SALES • RENTALS
• MORTGAGE LOANS

The
Wheeler Kelly Haggy Trust Company
Wichita, Kansas

ARKANSAS

READ-STEVENSON & DICK INC.

Property Management
Sales—Leasing
Mortgage Loans

A. C. Read II R. Redding Stevenson
Charles E. Dick
109 South Main Street
LITTLE ROCK, ARKANSAS

MICHIGAN

EQUITABLE TRUST COMPANY

600 GRISWOLD STREET DETROIT, MICHIGAN

Property Management
Appraisals
Mortgage Loans
Sales

Trusts Estates

FLORIDA

Property Management
Mortgages—Sales
Appraisals

MAL HAUGHTON JR. COMPANY

108 West Bay St. Jacksonville, Florida

MINNESOTA

DUNN & STRINGER

INCORPORATED

Empire Bank Building
St. Paul, Minnesota

McNeil S. Stringer, Pres.

Mortgage Loans
Real Estate
Property Management

OHIO

THE HOWELL-VIGGERS CORPORATION

Certified Property Managers
Appraisals Sales

Second National Bldg.
Akron, Ohio

INDIANA

Property Management

Leases Sales Loans
Appraisals—Insurance

W. A. BRENNAN INC.
INDIANAPOLIS

Klein & Kuhn

Guaranty Building
Indianapolis

SALES APPRAISALS
LEASES

Property Management

Raymond T. Cragin & Co.

Raymond T. Cragin, M. A. I.

PROPERTY MANAGEMENT
APPRAISALS
LOANS
LEASING

Covering Complete Metropolitan Area
National City Bank Bldg.
CLEVELAND

Something New IN LIFE INSURANCE

A Pure Protection . . . ordinary or whole life policy without cash values

Our limited pay policies permit the withdrawal of cash values

Without cancelling policy

Without note, interest or reducing policy

Many other new features that appeal to thinking people

Commissions that will interest any salesman. Previous experience not essential

Interstate Reserve Life Insurance Company
TEN EAST PEARSON STREET, CHICAGO

LEGAL RESERVE FRATERNALS

Fidelity Life Holds Fete in 45th Year

Fidelity Life of Fulton, Ill., held its 45th anniversary program in the community coliseum there, with Walter C. Below, president, as master-of-ceremonies, and a capacity turnout of fraternalists and townspeople. President Below said the society's recent growth and progress emphasized the many services rendered other than life insurance protection. He stressed its large payroll and how its many investments were contributing toward a better America.

A. F. Schoch, of Ottawa, Ill., treasurer, who recently celebrated his 83rd birthday, told of the great changes made since he first assumed the office in 1897.

Miss Kathleen Clendenen, Fulton, daughter of the late Dr. George W. Clendenen, founder, was presented. Many of the society's officials were present. There was special entertainment by members and dancing.

Fidelity Life's "open house" in the modernized home office attracted many members and friends. Many congratulations were received, and the sales force showered the office with new business to make it the best sales day in several years.

President Below Reports

President Below gave figures from the annual statement showing assets Dec. 31 totaled \$11,687,400, net gain \$270,636; membership 58,262, net gain 1,445; insurance in force \$51,699,874, net gain \$324,470. The sales record in 1940 was the best in 10 years, with \$4,933,400 new life business, 2 percent gain. This was the third consecutive year of production gains, he reported.

Assets included: Cash \$324,338, bonds \$6,798,450, real estate mortgages \$1,383,666, real estate \$777,392, real estate sold under contract \$554,865, certificate loans \$1,433,649. Certificate reserve was \$9,781,674, special and contingency reserve \$1,595,789.

Cash benefits paid to members and beneficiaries in death, accident, disability

claims and dividends totaled \$1,069,176, and the grand total since organization over \$34,000,000.

Mortality was 64.9 percent of expected, compared to 66.5 in 1939. The society has about 800 sales representatives, correspondents and juvenile superintendents in the field.

North Star Benefit Has Home Dedication Contest

North Star Benefit of Moline, Ill., is conducting a home office dedication contest winding up May 30. The prize for qualification is attendance at the dedication to be held during the general agents' mid-year conference at Moline in June. In the ceremony a marble tablet will be unveiled bearing the names of those who made possible the purchase of the new home office. The position of general agencies and producers on the tablet will be determined by the volume of the business they have written.

The tablet will face the entrance. Minimum production of \$25,000 of written and paid for business is required of personal producers to qualify them to have their names carved on the tablet and a minimum production of \$100,000 to qualify an agency.

Modern Woodmen Statement Shows Increase in Assets

Modern Woodmen's annual statement shows assets \$91,504,787, a gain of more than \$5,800,000, or 6.84 percent. Certificate reserves gained \$5,654,968, now totaling more than \$85,000,000. Special reserves set up for claims payable on installments, incomplete death claims and other accrued items amounted to \$1,793,191. Contingency reserves for mortality and investment fluctuation totaled \$4,291,647. The gain in special reserves amounted to \$186,644.

The assets include: Cash \$3,248,085, bonds \$65,212,737, preferred stocks \$822,186, farm first mortgages \$418,925, city first mortgages \$13,577,260, real estate \$1,845,671, real estate contracts \$2,391,567, certificate loans \$3,098,181.

The society has paid \$625,294,953 total benefits since organization in 1883.

C. O. F. Statement Shows High Solvency Ratio

Catholic Order of Foresters, Chicago, had \$39,944,431 assets on Dec. 31, gain \$1,837,999. Total income was \$4,661,290, including \$2,756,036 received from members, \$1,590,152 interest on bonds held in the reserve fund, \$167,345 interest on liens and certificate loans and \$40,350 gross profit on sale or maturity of bonds.

An outstanding feature of the annual statement was the continuously high average yield on investments, which in 1940 was 4.52 percent compared to 4.66 percent in 1939, 4.77 percent in 1938, 4.56 percent in 1937, and 4.8 in 1936. All the C. O. F. investments other than certificate loans are in municipal bonds.

Quite as important, however, was the high ratio of solvency which has been steadily increasing in the last five years

and was 119.27 percent in 1940. The C. O. F. has an unusual record in this respect, which is excelled by few, if any, societies. The solvency ratio increased from 115.16 percent in 1939, 113.01 percent in 1938, 111.98 percent in 1937 and 110.95 percent in 1936.

C. O. F. paid \$2,062,677 death claims last year, \$11,359 permanent disability claims, \$5,000 double indemnity benefits, and cash surrenders and old age settlements totaled \$128,301. The annual dividend amounted to \$215,312. Total benefits and payments made to members and beneficiaries last year amounted to \$2,900,383.

Book value of the reserve fund securities Jan. 1 totaled \$35,132,003 and market value of the bonds was \$39,030,389, or \$3,898,386 more than the amount at which the securities were carried on the books.

W.O.W. Omaha, Head Camp Conventions to Be Held

Biennial head camp conventions of Woodmen of the World, Omaha, will be held in 25 cities from New York to California in the next eight weeks. The first camp is scheduled March 20-21 at Biloxi, Miss. De E. Bradshaw, president, will attend most of the gatherings with other head office executives.

Local camps in 44 states will send delegates to the head camp conventions. The 25 state or regional meetings will elect delegates to the biennial sovereign camp, to be held later this year.

Mr. Bradshaw announced W. O. W. has written more than \$41,000,000 of life protection in the last year and paid \$8,418,469 to beneficiaries and living members. The assets total more than \$130,000,000.

K. of C. to Observe Its 59th Anniversary March 23-30

Knights of Columbus will celebrate its 59th anniversary during a "Founders'

**ASSETS
OVER
\$130,000,000**

Woodmen of the World investments are of highest quality — Government, State and Municipal bonds, and choice Industrial, Public Utility and other bonds and stocks.

**WOODMEN
OF THE WORLD**
Life Insurance Society

Home Offices — Omaha, Nebr.

Our Men

SUCCEED because they represent a successful institution. Our men don't have to sell their clients on the safety and reliability of The Maccabees. Our records of 60 years of service, quarter of a million members and 250 million dollars in benefits paid, do that. Their only job is one of diagnosing the needs of their clients and writing the insurance necessary.

If you want a position where your success is limited only by your ability, and you can meet our requirements, write us. We may have a place for you.

The Maccabees
Detroit, Michigan

PERTINENT FACTS— SUPREME FOREST WOODMEN CIRCLE

Gross Assets \$ 33,716,675.00
Protection in force 106,831,483.00
Total Membership 134,166

Organized into 2,678 groves in 44 states

Benefits paid in 1939 to members and beneficiaries \$1,767,420.41

Dora Alexander Talley, National President
Mamie E. Long, National Secretary
Home Office, Omaha, Nebraska

PROTECTED HOME CIRCLE SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary
SHARON, PA.

Week" celebration which will be held March 23-30. Elaborate preparations have been made for the observance, including dramatic radio transcriptions which have been prepared by the supreme council in the form of a playlet depicting organization of the K. of C. in New Haven, Conn., in 1882 under the leadership of the Rev. Fr. Michael J. McGivney. This is a 15 minute recording, professionally produced, with musical background and sound effects. It will be furnished to local councils at nominal cost, to be broadcast over their local radio stations.

Father McGivney, curate of St. Mary's Church, New Haven, in January, 1882, called together a small band of Catholic laymen who became the original founders of the K. of C. The charter was approved March 29. Francis P. Matthews, supreme knight, announced the March observance calls for five major activities including a breakfast, founders' meeting, open session for prospective members, public meetings for men and women and an open or closed banquet. He suggested the week also be featured by a special program promoting the insurance plan.

Gebuhr Made General Agent

John S. Gebuhr of Council Bluffs, Ia., has been appointed general agent of the Lutheran Brotherhood of Minneapolis for southwestern Iowa and southeastern Nebraska. He formerly was a district agent.

Fraternalists Meet in Illinois Congress

(CONTINUED FROM PAGE 3)

has been held in Chicago. This gathering was discontinued at the annual meeting in Baltimore last year.

Refusal a year ago of the Chicago "Tribune" to accept fraternal societies' advertising was a high point of the meeting. A committee headed by J. P. Stock, has been negotiating with the "Tribune" and it is believed an amicable arrangement will be reached. The newspaper had confused fraternalists with funeral benefit associations, many of whom in Illinois had financial difficulties.

Illinois Department Men Speak

Insurance Director Jones of Illinois was to speak but was called away before he could appear. Frank Young, department special deputy, talked in his place, expressing appreciation to the fraternalists for their support in the last recodification of the Illinois insurance law. He noted that the new standard of solvency set up in the act requiring 100 percent solvency of fraternalists as well as other insurance carriers by 1945 has resulted in a reduction of the number of societies not meeting the test from 21 in 1935 to five now. He also noted the radical change in the investment section of the code from the old limitation of fraternalists' investments to mortgages, government, state and municipal bonds, opening the way for them to invest on a basis the same as other insurance companies. The fraternalists, he said, have taken full advantage of this liberalization and are proving to be a great source of local capital. The department policy is not to hamper the societies, he said. The relationships are good and there has been no major litigation between the department and the societies at any time.

Supervisor Klophele Introduced

B. W. Risse, Illinois department fraternal supervisor, who resigned recently to sell securities in Chicago, introduced Addison E. Klophele, who succeeds him as fraternal supervisor. Mr. Klophele has been with the department eight years and associated with Mr. Risse in the fraternal work for five years. He is a graduate of the University of Michigan.

A. O. Benz, president N. F. C. and Aid Association for Lutherans, Appleton, Wis., extended greetings. He pre-

dicted the fraternalists would regain their former position of importance and noted the important part they are playing in promoting Americanism. They are now better situated to provide real social security in all its phases, he commented.

N. J. Williams, president Equitable Reserve of Neenah, Wis., who with about 80 other fraternalists attended the Illinois Insurance Federation luncheon for Insurance Director Jones last week, said he was inspired by the director's message, and was impressed with the officials' attitude of fairness and helpfulness. He said fraternal societies need fear no difficulties with the Illinois department.

Discusses Objective Selling

Mr. Williams discoursed on objective salesmanship, saying the fraternalists have to sell in competition with attractive automobiles, radios and other things that people want. He suggested using sample policies with effective illustrations of life insurance in action. Many people who own policies are sacrificing their life insurance values to buy new cars. The insurance certificate must be visualized not as a piece of paper with printing on it, but as food and shelter in old age for the certificate owners and their dependents, as funds, education and a business start for young people, etc.

The educational committee headed by Fred A. Johnson, vice-chief archon Royal League, reported it has distributed 547 copies of the textbook, "Fraternal Life Insurance" to tax supported public libraries in Illinois, individuals and to newspapers for book review. Mrs. Huldah Donohoe, Illinois state manager Woodmen Circle, reported on the "Fraternal Day" at the Illinois state fair last year. Recently she was asked to address the Illinois Association of County Fairs on the subject of promoting fraternal days and suggested giving the "Pageant of Fraternity" written some years ago by Mrs. Jeannie Willard of Woodmen Circle.

Reviews Legislative Situation

George G. Perrin, general attorney Modern Woodmen, reported for the legislative committee there is no adverse legislation in Illinois, but outside the state the situation is less favorable for fraternalists. Governmental and legislative regulation is more and more of a threat, whether or not inspired by those in Washington he did not know. He commented on the drastic Texas bill No. 8, on the bill to repeal exemption of fraternalists in Wyoming and on the favorable bill in New Mexico to reduce the license fee of fraternalists from \$50 to \$5 annually.

In Indiana and Texas there are a number of identical bills relating to proof of survivorship in a common accident which affect fraternal insurance and would interfere with carrying out the contracts. In Texas, he said, there is a bill to do away with the common law rule of disappearance and permits proof at any time, even within one year, rather than to require the old rule of seven years for presumption of death.

Government Attorney Talks

D. T. Winder, former Chicago fraternal lawyer and reserve major, who is in the legal division of the selective service system in Washington, discussed the national service life insurance now issued by the government. The benefits will be retained as at present until a majority of the people insist upon a change and the government will continue to issue this insurance to eligible persons even though many life insurance people may consider this to be government competition with private business. A reinsurance arrangement might be possible under which the government would initiate the business without the usual acquisition cost and the private companies would take it over, he said. This might remove the government as a competitor to the regular insurers, but such a change could not be effected until a large majority of the citizens cease being passive and insist upon such a change.

Similarly, he said, fraternalists must realize that if they are firmly convinced federal regulation and supervision of all insurance would be detrimental to citizens' interests, they must enlist the active support of enough people outside the insurance business so a majority will refuse to permit the federal government to assume such control.

Danger of Uniform Badness

"Stupidity in a state is bad, but it is 48 times worse in Washington," he said. "A bad law, or the maladministration of a law in a state may cause lack of uniformity, but a bad federal law or the poor administration of a law is 48 times worse because of its uniformity."

J. W. Cotter of Fulton & Sheen, attorneys, Chicago, discussed the question whether insurability and good health are synonymous in interpreting the standard form of reinstatement provision. Insurability does not imply desirability, he said, because when an applicant for reinstatement complies with the insurability requirement the company is bound to reinstate the policy and any additional promise or warranty required of the applicant to obtain his reinstatement is void for want of consideration.

Cases point out that the right to reinstatement is a substantial right to the insured; the company cannot act arbitrarily or capriciously in examining evidence of insurability submitted, and the insured must be truthful in submitting that evidence. Many decisions against companies in reinstatement cases, he said, are due to the fact that no attempt is made to show the decision on evidence of insurability was not unreasonable or arbitrary when judged by

underwriting practices and procedures of reputable insurance companies.

Fraternal societies' local lodges now enjoy exemption under the unemployment compensation act for employees with remuneration not exceeding \$45 per quarter, or for services performed in connection with collection of dues or premiums away from the home office, or if services were ever performed ritualistic, David Hersh, assistant general counsel Mac-cabees, Detroit, said in a talk on social security legislation. He said local lodges probably no longer will be burdened with paying this tax in filing reports but still must comply with the individual states' acts.

Old Age Pension Tax

He said many local lodges have not complied with the requirements to pay contributions to the Internal Revenue department under the old age pension provision of the federal act under which both employer and employee are obliged to pay 1 percent on compensation paid employees from 1937 through 1939. There are indications local lodges will be called on to pay not only the employer's portion of this tax but also be liable for the employee's portion and interest charges and penalties that may be assessed. Mr. Hersh said the Internal Revenue department opinion excluding from taxation compensation paid to insurance agents is probably good authority for the proposition that at least collectors of rates for local lodges should be excluded.

E. S. Cummings, Jr. of Cummings & Wyman, Chicago law firm, gave a paper on conflict of laws in fraternal insurance contracts. A forum on legal questions and legislative problems was conducted.

Aggressively Developing State of Illinois Offering Unusual Agency Opportunities

Liberal First Year Commission and Non-forfeitable Renewal Commissions

Assistance in the Field

Home Office Co-operation

GLOBE LIFE INSURANCE CO. OF ILLINOIS

WM. J. ALEXANDER, President

An Old Line Legal Reserve Company—Established 1895

45 Years of Continuous Faithful Service to Policyholders

Writing Complete Line of Modern Policies with All Standard Provisions Ages (0-60)

Double Indemnity — Disability — Non-Medical Modern Juvenile Contracts Full Benefits Age 5

WRITE US TODAY FOR PARTICULARS

431 South Dearborn Street

Chicago, Illinois

IDEAL JOB

Seeks Right Man

Every day you wait to investigate the General Agency opportunities with this old reliable company you are losing money.

Write today:

FRANCIS L. BROWN, President

ROCKFORD LIFE INSURANCE COMPANY
Rockford, Illinois

Sales Ideas and Suggestions

Don't Wait to Act Until Future Is Certain—E. L. Carson

CINCINNATI—An inspiring and encouraging note was sounded by E. L. Carson, agency manager Equitable Society, Milwaukee, in a talk at a meeting of the Associated Life General Agents & Managers of Cincinnati, during which he touched upon some of the major problems of the business and dispensed a great deal of sound common sense.

Nothing has happened to life insurance, he asserted, except what has been good for it. Mr. Carson said that he was a young agent when the United States went into the world war. The old agents at that time knew that they couldn't write business, and of course, did not write any. Mr. Carson, however, said he was inexperienced enough not to know any better and he went out and wrote business, principally because he had a wife and family to support. Twenty-seven billions are to be spent in this country by the United States and Great Britain in their war preparations, Mr. Carson declaring that this is bound to be an important stimulus to business. "What do we care about the TNEC?" he asked.

He said that life insurance men should look back to 1905 or 1907, the time of the Armstrong investigation, which resulted in life insurance being made more attractive and was the basis for its great development. The new tax bill provides for a 25 percent increase in income tax. The result, he said, is that it leaves the installment method of buying an estate the only method. Mr. Carson referred to the general agents as the "largest potential employers of well paid labor in the United States." He asserted that public appreciation of life insurance will never be disturbed. To illustrate what people think of their life insurance, Mr. Carson said that during a four day period in the national bank holiday in 1933, assured in the Equitable's Wisconsin agency sent the company almost twice as much money as they did normally.

Will Work Harder

In discussing the question as to whether it is wise to go ahead in agency expansion, Mr. Carson declared that it is not possible to operate a successful business when a businessman takes all the profit out of the business and does not plow any of it back. He said that in 1941 he is going to work a little harder and be "not so impressed with the importance of my golf score."

The general agent can't wait to see what is going to happen. "If we knew, we wouldn't be in the life insurance business," he stated. A general agent who says he is not going to do this and that because he is uncertain of the future is "cockeyed," he emphasized.

Mr. Carson said that it is necessary for the general agent to improve his contacts in order to get the same results in recruiting. Mr. Carson asked whether the general agent had increased his "prospect list" of agents. He said that the general agent should point out his own experience in the business in getting new men. After all, he stated, the general agent started out as an agent. The difficulties faced by the agent many years ago are as great as they are today, but of a slightly different nature. Wives used to object, but now they never object to life insurance. The objection, "I can handle my money better than the life insurance companies" simply does not exist today. "Many of the hurdles we have today

were created 40 years ago by hit or miss methods," he stated.

He said the general agent will have to look a little harder for his agency material. One day recently Mr. Carson drove 250 miles contacting five prospective agents. They were as follows: A man, 45, secretary to a prominent business executive who died. Obligated to take reduced salary and clerical work if he wished to remain with employer with whom he had spent 20 years. Candy company employee holding responsible position. New owners offered him position at \$600 reduction in salary. School teacher. College graduate filling station operator. Lastly, the least likely prospect of all whom Mr. Carson was not inclined to consider. He said that the history of life insurance showed that it could not stand still. It must either move forward or backward.

Mr. Carson urged that prospective agents be investigated by an inspection agency before they are seriously considered. An inspection, he said, saved him many embarrassing moments. He mentioned the case of a Philadelphia man who had embezzled \$2,000,000 recently found working in Rochester as a life insurance agent under an assumed name on a \$20 weekly drawing account as an example in point and one which would have an effect on the entire business.

Eschews Young College Men

College job placement bureaus are advising their graduates not to go into life insurance unless they demand a salary, he said. He, therefore, has given up recruiting young college men. He

prefers to hire married men with families between the ages of 30 and 50. People naturally operate in their own age groups, he stated. He pointed out that an agency can grow only by the introduction of new men.

The Lockheed airplane company in California has 18,000 applications on file, but it cannot use a single person listed. The airplane industry needs 36,000 men.

A little tired about hearing of unfit agents, Mr. Carson asked "what makes them unfit?" He said that a lot of rural agents earning \$50 a month from life insurance were not in his opinion unfit. He pointed out the fallacy of a production measure of fitness. The general agent should ask himself, "If I had it to do over again without his lack of production, would I do it over again?" If the answer is "yes," the agent should not be regarded as unfit. A good question is: "Have I done everything I can to help this agent before I stamp him with a mark of failure?" A certain amount of sentimental relationship is always found in long established agencies which is disrupted by the discharge of older agents. Mr. Carson said that he believes this is not the time to rock the boat by discharging older men as unfit because of their lack of production. Many of the older men, he said, had brought some of the best men into the agency. One of the older men in his agency had brought in three of his best agents, Mr. Carson said.

Mr. Carson was introduced by G. J. Woodward, agency manager of the Equitable's Cincinnati agency. I. B. Jackson, Massachusetts Mutual, president, presided. Mr. Carson also spoke at a meeting of the Cincinnati Life Underwriters Association.

Right thinking, which leads to right planning and working, is the direct path to personal achievement.

Budget Approaches Suggested

DETROIT—In approaching a prospect, first learn his needs and then show him simply but dramatically why he should buy, Paul Troth, publicity director, Home Life of New York, told the Qualified Life Underwriters of Detroit. He talked on "Ideas That Click," illustrating his remarks with clever caricatures.

A good approach for a young married man is to talk in terms of budget. Point out that he has certain fixed expenses to meet, such as rent, clothing, food and the like. But has he provided a means for continuing these fixed expenses for his wife in case he should be taken away?

"In approaching a married man with a family of two or three children, you are very likely to get the objection that he can't afford to pay for any more insurance," Mr. Troth said. A good way to get around this is to use some such statement as: "All of us live up to our income, apparently, but suppose your employer calls you into his office and tells you that although he appreciates the fine work you have been doing, it is necessary to cut your salary \$5 per week. You would have to accept it and you would have to rearrange your expenses so that the money would stretch to cover them. Take your \$5 per week and consider it a necessary salary cut that will guarantee security to your family."

Talks Prospect's Language

"Here you are talking your prospect's own language. He knows all about pay days and pay cuts. You are basing your story on the right psychology, trans-

lated into your prospect's own interests," Mr. Troth pointed out to his hearers.

To the prospect who says he would like to buy, but he hasn't the money to pay the premiums, Mr. Troth recommended the following explanation: "Life insurance is not bought with surplus funds. It is bought with money that could well be used for other purposes, but far sighted people go without in order to prevent their family from going without."

Then take a sheet of paper, draw a line down the center. Tell the prospect to list on one side of the line the things that he will have to go without in order to pay the premiums, and on the other side of the line the things that the family would have to go without in case the prospect dies without insurance. The sheet will make a striking and graphic picture that often convinces the prospect that it is good business for him to buy at once even if the struggle to pay the premiums may be somewhat difficult.

Four Fundamental Reasons

There are four fundamental reasons for buying life insurance—to pay specific bills such as the mortgage, to provide income to keep the family circle intact, to guarantee an education for the children and to provide for one's retirement.

Mr. Troth by special request conducted three classes in public speaking at Michigan State College at East Lansing, his alma mater, before returning to the east.

Gets 205 "Apps" in Nine Weeks for \$9.54 Per Hour

O. D. Harlan, of the W. A. Gamble agency California-Western States Life, San Antonio, Tex., produced \$283,640 of business from Nov. 16 to Feb. 1, \$112,787 of it by January 1. He wrote 205 applications, and in addition shared in 102 applications while working with others. This gave him a net total of 256 applications. The average sized policy was \$1,385. Of this business 70 percent was 20-year endowment; the premium collected \$9,960. He averaged 10 hours and 11 minutes each day. The average commission per sale was \$29.91. He earned 16 cents per minute or approximately \$9.54 per hour.

MANAGERS

Market in 1941 Is Los Angeles Topic

LOS ANGELES—"Our Market in 1941" was the panel topic of the Life Insurance Managers Association of Los Angeles, with G. N. Quigley, Jr., manager Manufacturers Life, and Phinehas Prouty, Jr., general agent Connecticut Mutual Life, leading the discussion.

Mr. Quigley said analysis of the life insurance market of today is a vital factor if the general agent is to lead the agents into channels most profitable to them. He said that the national income in 1940 of \$85,000,000 probably set an all-time high, and that with wages up the outlook is good for prospects. The additional tax burden due to the defense program probably will fall heaviest on the incomes in the \$5,000 to \$20,000 bracket, and the best bracket for prospects probably will be those under \$5,000. Life insurance men should take advantage of increased industrial earnings. While war savings stamps, bonds, etc., will affect certain types of insurance, he said they will not affect the family protection contract. The general agent and the manager should recognize the place the social security act holds and sell it to the men, pointing out the advantages they have from it.

Prouty on Business Insurance

Mr. Prouty devoted his attention to business insurance. He said decentralizing of defense spending gives life insurance men a greater opportunity to sell business insurance to key men in industries. Stockholders of corporations or firms having defense contracts are conscious of the value of those contracts, and this operates for ease in the placing of business insurance. He pointed out that industrial employers see the benefits of savings, trust pension and retirement plans.

M. L. Hoffman, executive secretary National Association of Life Underwriters, and Roy Ray Roberts, Los Angeles, national trustees, spoke of the meeting here March 3 to be addressed by National association leaders.

A memorial on the late John Newton Russell was adopted by a silent standing vote.

Wet-Nursing New Man

LOS ANGELES—The Life Insurance Agency Supervisors Association of Los Angeles heard H. L. Chaney, New England Mutual Life, discuss "Wet-Nursing the New Man." He said there is no short cut in teaching the new man. For this reason the stake of the agency

is higher in the new man, especially if he is to be a career man. The new man must have two concepts in his mind, one that he has made up his mind he is in the life insurance business; the other that he is in the life insurance business for life insurance itself, not for the financial return it may bring him.

The agency must find out the new man's strong points and capitalize on them, thus overcoming his weak ones. He said the average new man has two weak points to one strong one. New men, he said, are in the business either by regimentation or by selection. The man who is there by selection is the one on whom effort can be spent profitably.

Du Bose Milwaukee President

Frank Du Bose, Old Line Life, has been elected president of the Milwaukee Life Managers & General Agents Association. He succeeds Frank Engel, Franklin Life; and automatically becomes chairman of the general agents committee of the Milwaukee Association of Life Underwriters. L. W. Spickard, Bankers Life, and Walter Rigg, Mutual Life of New York, are vice-presidents; C. C. Raisbeck, Great Northern Life, secretary, and B. W. Reagles, Acacia Mutual Life, reelected treasurer.

Farewell to Longenecker

A farewell party for C. H. Longenecker was given by the Oklahoma General Agents & Managers Club, of which he has been president. Mr. Longenecker was transferred to Moberly, Mo., after serving as Oklahoma state manager of Metropolitan Life for more than 10 years.

He is succeeded as president of the club by Thomas Thach, Mutual Benefit Life, who has been vice-president.

Betha Speaks in Columbus

Osborne Betha, general agent Penn Mutual Life, in New York City, will address the Life Managers & General Agents Association of Columbus, O., Feb. 28 on "Where do we go from here? Recruiting in its relationship to all agency activities."

Twenty-five Los Angeles general agents and managers were guests of their cashiers at the meeting of the Life Agency Cashiers Association of Los Angeles at which Vic Ekdahl, manager Swift & Co. refinery, spoke on "Selling Is Like That."

Penn Mutual Names Reed as Assistant to V.-P. Adam

William C. Reed has been appointed assistant to Vice-President Herbert Adam, in charge of mortgages and real estate, for Penn Mutual Life.

Mr. Reed is 37, a native of New York state. He was graduated from Williams College in 1925 and went into the office of Butler & Baldwin, Inc., New York City, general real estate and insurance. He was director and head of the management department when he left in 1934 to take charge of property management operations and liquidation work for Irving Trust Co., New York City.

He joined Penn Mutual June 1939 in charge of reappraisal of real estate.

New Illinois Director Wins Epulettes

(CONTINUED FROM PAGE 2)

There were two head tables, filled with about 100 insurance leaders from Chicago and downstate. Before the luncheon the head table group attended a reception for Mr. Jones.

It was largely a gathering of fire and casualty interests although there was a good sprinkling of life insurance people. For instance at the head table there were Harry T. Wright, Equitable Society, president, and C. J. Zimmerman, Connecticut Mutual, past president National Association of Life Underwriters; C. F. Axelson, Northwestern Mutual, Chicago; C. B. Stumes, Penn Mutual, and F. P. Beiriger, Connecticut Mutual, Rockford, president Illinois Association of Life Underwriters.

Mr. Jones later said that "perhaps" he will name an advisory committee of insurance men. He is considering the idea, but has not talked to the governor about it. The question right now, he discloses, is whether the committee, if named, should be chosen by him or by the profession. And if it is chosen, how it shall be composed so as to be satisfactorily representative.

Amity of Lawyers Means Business for Agent

JACKSON, MICH.—"If we can transmit our knowledge and enthusiasm to one lawyer and one good accountant, our business will increase manifold in the next 12 months," George E. Lackey, Detroit general agent Massachusetts Mutual Life, told a joint meeting of the Jackson Association of Life Underwriters and the Jackson Bar Association. Mr. Lackey is chairman of the National Association's committee on cooperation with attorneys.

Questions asked Mr. Lackey at the end of his talk pertained largely to taxation and inflation.

Dale J. Kerr, New England Mutual Life, president of the Life Underwriters Association, presided. Frank H. Mason was chairman of arrangements.

Pink Warns of Loan Inflation Day Returning

NEW YORK—Warning against a repetition of the pre-depression tendency to inflate loans—a trend which is already showing itself—Superintendent Pink of New York told the New York State Society of Real Estate Appraisers that "we are again in a period of ambitious competition for loans by the banks, life companies, and other financial institutions."

"The speculative builder is coming back and is putting little or nothing into the huge apartments which are going up," he said. "Policyholders and depositors of banks will have to pay the bill, as will the federal government which has guaranteed some of the loans under FHA. Those who are responsible for the conduct of our financial institutions do not always realize that of the two evils it is better to have idle money in the bank than to invest in an unsound security."

Little Danger of Excessive Type Inflation, Says Bragg

NEW YORK—As long as the citizenry has the intelligence and determination to keep the United States impregnable against domination from without and against currency-debauching influences from within there is no reason why inflation of the devastating type should ever materialize in this country, Manager J. E. Bragg of Guardian Life, New York City, told the New York City C. L. U. chapter. Mr. Bragg stressed particularly the fact that the United States is rich in material resources and manpower, in a far different situation from that of any country which has been swept by inflation.

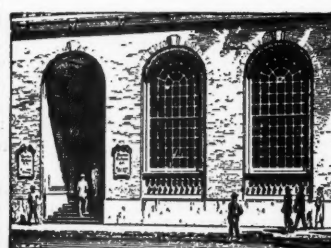
He also drew a distinction between the normal cyclical fluctuation in various price indexes, which some people mistakenly refer to as inflation, and inflation. This price fluctuation is an added reason for buying life insurance, since the proceeds must cover periods of low purchasing power of the dollar as well as periods of high purchasing power.

As for the type of inflation which means buying a loaf of bread with a wheelbarrow load of greenbacks, Mr. Bragg said that there is no hedge whatever that the individual can erect for himself. No matter what type of equity, commodity or other property he puts his money into with the hope that its value will rise in keeping with the general price level, he can have no assurance that the type of commodity he picks will follow the upward trend nor that if he does choose fortunately that his property right in it will be respected in the general chaos that would accompany a real inflation. He ridiculed the notion of buying a farm and stocking it against inflation.

"If you have stored up food and my children are starving do you suppose that I am going to respect your property rights?" he asked. "Not if I have a rifle."

Not only is there no economic reason why there should be any inflation here but there should be a very strong sentiment against it, he said, for Americans are very property minded. Millions are life insurance policyholders, savings bank depositors, and holders of mortgages and consequently have vastly more to lose in a real inflation than they have to gain. If Americans are vigilant against the dangers from without and from within there need be no fear of inflation, he declared.

W. J. Olive, general agent for Franklin Life at Holland, Mich., has gone to St. Petersburg, Fla., for a few weeks. This is the first time that he has made the trip to that state.



The Boston Mutual LIFE INSURANCE CO.

is an old New England company of high character and standing. It is known for its conservative management and strength. It has just completed its fortieth year as a legal reserve company.

JAY R. BENTON, President
EDWARD C. MANSFIELD,
Secretary-Treasurer

HOME OFFICE

Boston, Mass.

Former Commissioner Now Brigade Commander

DES MOINES—Brig. Gen. Ray Yenter of Des Moines, former Iowa commissioner, has been inducted into active military service as commander of the 75th field artillery brigade at Camp Forrest, near Nashville, Tenn.

He was commissioner from 1928-1931, later was counsel of the Yeomen Mutual Life and more recently has been vice-president and counsel of the Merchants Mutual Bonding and counsel for other insurance interests.

He was a captain in the world war and prior to his induction into the regular army was brigadier general in command of the 113th Iowa and 114th Kansas cavalry.

Teachers Committees Named

To take care of the expansion in its activities made necessary by the policies adopted at its recent annual meeting in Chicago, the American Association of University Teachers of Insurance has increased its standing committees to six.

The chairmen are: Committee on collegiate preparation for insurance careers, H. J. Loman, University of Pennsylvania; professional standards in property and casualty insurance, S. S. Huebner, University of Pennsylvania; annual meeting program, E. L. Bowers, Ohio State University; nominating, Robert Riegel, University of Buffalo; publications, J. E. Hedges, Indiana University; membership, Chester A. Kline, University of Pennsylvania.

McHugh in Cincinnati Post

CINCINNATI—T. P. McHugh has been appointed superintendent Cincinnati 2 district of the Prudential, succeeding August Merkle, who has retired on disability. Mr. McHugh was previously superintendent of the Cleveland 10th street office. He served as assistant to Mr. Merkle before his promotion to superintendent.

Just 30 years ago we issued policy 332 on a life in a saw-mill office at Odanah, Wisconsin.

Ever been in Odanah?
Never heard of it!

All right; this life now is a key-man at R. C. A. in New York. You know both the biz and the town.

Little Companies, like men in little jobs, make friends and go places.

Guardian Life

Insurance Company
Madison, Wisconsin

The Colonial Life Insurance Company of America

Incorporated 1897

Forty-three Years of Satisfactory Service in Protecting the Family.

"Because there is a tomorrow, we serve today."

HOME OFFICE—JERSEY CITY, N. J.

r
nder

en. Ray
er Iowa
ted into
ander of
at Camp
n 1926-
Yeomen
ntly has
l of the
nd coun-
s.
brld war
into the
neral in
nd 114th

d
on in its
olicies
eting in
ation of
e has in-
to six
on col-
careers,
Pennsyl-
n prop-
. Hueb-
annual
s, Ohio
Robert
publica-
versity;
Univers-

gh has
Cincin-
succeed-
ired on
viously
102nd
stant to
tion to

issued
a saw-
/iscon-

a key-
York.
nd the

nen in
nd go



10½
YEARS

Our 59
General Agents
average 10½ years
of service with the
company

State Mutual Life Assurance Company
of Worcester, Massachusetts

INCORPORATED 1844



Rugged as New England's Rock Bound Coast

THIS 
MEANS ECONOMY
PLUS
GREATER VALUE
Hotel
WISCONSIN

450 rooms - each a unit in a great
house of hospitality. In the very
center of the retail shopping and
theatre districts. Air conditioned
Coffee Shop and Cocktail Lounge.
Garage and parking lot adjacent.

Owner operated by Milwaukee
Hotel Wisconsin Company
Lewis S. Thomas, Manager

IN THE CENTER OF
MILWAUKEE



FOR MEN OF GENERAL AGENCY CALIBER

We have territory open in Vermont,
southern New Jersey, and Delaware.

Our combined Life and Non-Can-
cellable Accident contracts are valu-
able sales aids.

Write

WILLIAM D. HALLER

Vice-President and Agency Manager

UNITED LIFE AND ACCIDENT Insurance Company

CONCORD, NEW HAMPSHIRE

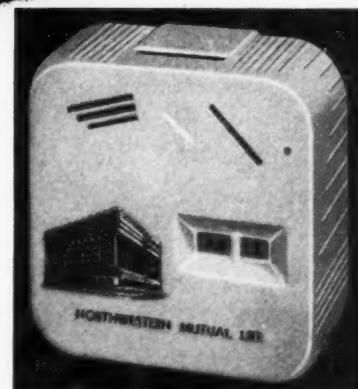
**THE CALENDAR BANK
THAT HAS
EVERYTHING!**

INCREASE SALES — KEEP POLICIES IN FORCE

- **The G & W Calendar Bank is attrac-
tive . . .**
Made of plastic in black or ivory.
- **Fool-proof . . .**
Only four moving parts.
- **Simple to operate . . .**
Any one of three coins—nickel, dime
or quarter will change daily date.
Quarter changes month.
- **Dignified . . .**
The name or trademark of your com-
pany engraved on the face.

This bank will create new policy hold-
ers because every prospect who sees
it, wants it. It will keep your policies
from lapsing because it encourages
daily savings toward premiums.

Companies now using the G & W Cal-
endar Bank have none but the highest
praise for its business-getting ability.
It will pay you to investigate. Write
today for details.



**FILL IN
AND
MAIL**

M. A. GERETT CORP.,
2947 North 30th St., Milwaukee, Wis.

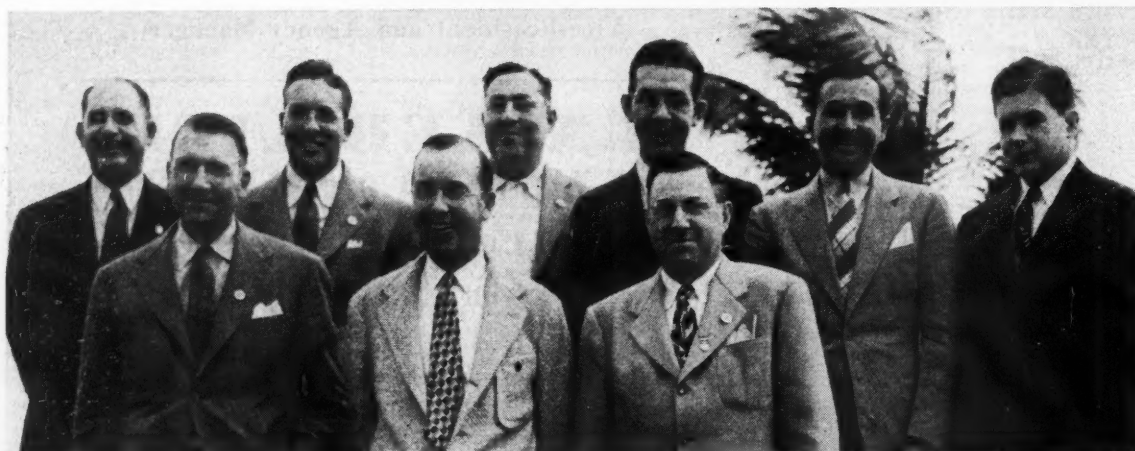
Please send details and literature regard-
ing the G & W Calendar Bank as soon as
possible.

Name
Company
Address
City State

M. A. GERETT CORP.
2947 N. 30th Street
MILWAUKEE, WISCONSIN

The Connecticut Mutual Life recently discovered this old photograph taken on August 22, 1902, which shows Colonel Jacob L. Greene, Connecticut Mutual's president at that time, riding with President Theodore Roosevelt through the streets of Hartford. Colonel Greene was chairman of the reception committee when Mr. Roosevelt visited the city and it was his privilege to introduce the president to the people of Hartford.

Theodore Roosevelt, it is interesting to note, was a Connecticut Mutual policyholder and the history of his policy is the subject of one of its "Prominent American" folders.



LEFT—The new officers of Home Life of New York's Agency Association are: Front row, left to right: Vice-President, Ray Martin, St. Louis; president, V. W. Holleman, Washington, D. C.; secretary-treasurer, A. G. Joseph, New York City.

Rear row, Executive Committee members, V. M. Shewbert, Pittsburgh; A. D. Sutherland, Detroit; C. S. Albert, Springfield; E. F. Davy, Salt Lake City; Leo Minuskin, chairman, Paterson; and J. F. Ramsey, Chicago.



Morton Boyd, the new president of the Commonwealth Life, has been a member of its investment advisory committee and a director and finance committee member since 1938. He entered the investment business after graduating from the University of Virginia with honors. He was elected president of the United States Trust Company in 1933. He is a director of the Louisville Fire & Marine.



At the speakers' table when Dr. David McCahan, dean American College of Life Underwriters, spoke to the Birmingham Association of Life Underwriters: Left to right, H. Martin Nunnolley, Provident Mutual, who introduced the speaker; Dr. McCahan; J. Orlando Ogle, General American, president Birmingham association, and R. J. Seay, field training supervisor, Metropolitan Life, who was in the city holding a school for managers.



New hope for estate tax exemption of life insurance earmarked to pay death duties was given by Rep. W. E. Disney (center), minority member of the house ways and means committee, in his talk before the New York City Life Underwriters Association. Others are President T. I. Parkinson of the Equitable Society (left), and Lloyd Patterson, general agent Massachusetts Mutual Life and New York association president.